

**Audit, Risk and Governance Committee**  
Meeting to be held on Monday, 20 May 2019

Electoral Division affected: None
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**External Audit - Lancashire County Pension Fund Audit Plan 2018/19**  
(Appendix 'A' refers)

Contact for further information:  
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**Executive Summary**

The Annual Audit Plan for Lancashire County Pension Fund for 2018/19 sets out the nature and scope of work that the Authority's external auditor will carry out to discharge its statutory responsibilities, compliant with the Local Audit & Accountability Act 2014 (the Act) and the Code of Audit Practice for Local Government.

The Audit Plan, setting out the process that underpins the audit is at Appendix 'A'.

**Recommendation**

The Committee is asked to agree the External Audit plan for the audit of Lancashire County Pension Fund for 2018/19, and the fees therein.

**Background and Advice**

Attached at Appendix 'A' is the external auditor's Annual Audit Plan for the audit of the Lancashire County Pension Fund for 2018/19.

The Audit Plan sets out in broad terms the programme of work required to:

- give a financial opinion on whether the financial statements:
  - give a true and fair view of the financial position of the Pension Fund as at 31 March 2019 and of its expenditure and income for the year then ended; and
  - have been prepared in accordance with proper accounting practice.

The Plan sets out the main risk areas, which the audit will focus on, including:

- the two default risks as highlighted in ISA+315 applicable to all audits on the revenue cycle includes fraudulent transactions (re-buttled) and management override of controls; and

- the risk of incorrect valuations on Level 3 investments, which by their nature require a significant degree of judgement to reach an appropriate valuation at year end.

The fee for the audit of the pension fund has been set at £26,310, which is the scale fee set by Public Sector Audit Appointments Limited. A fee of £1,737 is set to cover the IAS19 assurance work, which is subject to separate approval from Public Sector Audit Appointments Limited. Please note the scale fee is reduced from 2017/18 by 23% (£34,169 in 2017/18) due to the Public Sector Audit Appointments Limited re-tender process.

Robin Baker, Engagement Lead, will attend the meeting to present the report at Appendix 'A' and respond to questions.

### **Consultations**

The report has been agreed with the Head of Fund and Director of Finance.

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

No significant risks have been identified.

### **Local Government (Access to Information) Act 1985**

#### **List of Background Papers**

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A