

Audit, Risk and Governance Committee
Meeting to be held on Monday, 30 April 2018

Electoral Division affected:
None

External Audit - Lancashire County Pension Fund Audit Plan 2017/18
(Appendix 'A' refers)

Contact for further information:
Mike Thomas, 0161 214 6368, Director, Grant Thornton UK LLP,
mike.thomas@uk.gt.com

Executive Summary

The Annual Audit Plan 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.

This audit plan is specific to the financial year 2017/18 and 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 2018 and of its expenditure and income for the year then ended; and
 - have been prepared in accordance with proper accounting practice.

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 the Lancashire County Pension Fund for 2017/18, 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. The plan sets out the main risk areas, which the audit will focus on, including:

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

- 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; and
- other key risks areas around Level 2 investments, contributions and benefits payable.

The fee for the audit of the pension fund has been set at £34,169, which is the scale fee set by Public Sector Audit Appointments Limited. A fee of £1,737 is set to cover the IAS (International Accounting Standard) 19 assurance work, which is subject to separate approval from Public Sector Audit Appointments Limited. It should be noted that the total audit fee is the same as that charged in 2014/15, 2015/16 and 2016/17.

Members of the Grant Thornton audit team will attend the meeting to present the report and answer any questions.

Consultations

The report has been agreed with the Head of the Pension Fund.

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
N/A		
Reason for inclusion in Part II, if appropriate		
N/A		