

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

Electoral Division affected: None

External Audit - Lancashire County Council Audit Plan 2018/19
(Appendix 'A' refers)

Contact for further information:
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Executive Summary

The Annual Audit Plan for Lancashire County Council 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 Council 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 Lancashire County Council 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 County Council and Group (Lancashire County Developments Limited) as at 31 March 2019 and of the County Council and Group's expenditure and income for the year then ended;
 - have been prepared in accordance with proper accounting practice.
- report whether, under the National Audit Office (NAO) Code of Audit Practice ('the Code'), that in our opinion:

- the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VFM) conclusion')

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

- the two default significant risks as highlighted in International Standard on Auditing (ISA) +315 applicable to all audits on the revenue cycle including fraudulent transactions (re-butted) and management override of controls; and
- the other significant risks, which are valuation of property, plant and equipment and investment property and valuation of the pension fund net liability.

Our risk assessment regarding the County Council's arrangements to secure value for money identified the VFM significant risks as financial sustainability and internal control.

The fee for the audit has been set at £87,006, which is the scale fee set by Public Sector Audit Appointments Limited. Please note the scale fee is reduced from 2017/18 by 23% (£112,995 in 2017/18) due to the Public Sector Audit Appointments Limited re-tender process.

The 'Fee for other services' is £13,200 and relates to our certification work on the Teachers' Pension claim and your subscription to our CFO Insights service.

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