

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

Electoral Division affected: None

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

Contact for further information:
Robin Baker, 0161 214 6399, Director, Grant Thornton UK LLP,
robin.j.baker@uk.gt.com

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