

Pension Fund Committee

Meeting to be held on Friday, 6 March 2020

Electoral Division affected: None;

Lancashire County Pension Fund - External Audit Plan 2019/20

(Appendix 'A' refers).

Contact for further information:

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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 2019/20 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 2020 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 underpin the audit is attached at Appendix 'A'.

Recommendation

The Committee is asked to note and comment on the draft External Audit Plan for the audit of the Lancashire County Pension Fund for 2019/20, and the fees therein.

Background and Advice

Attached at Appendix 'A' is the external auditor's draft External Audit Plan for the audit of the Lancashire County Pension Fund (the Fund) for 2019/20 which 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 including fraudulent transactions 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 scale fee for the audit of the Fund set by Public Sector Audit Appointments Limited has been set at £26,310. The draft Audit Plan sets out an increase to this fee of £5,000 which is subject to approval by management and Public Sector Audit Appointments Limited.

In addition, £9,000 is set to cover the IAS19 assurance work and that is not subject to separate approval from Public Sector Audit Appointments Limited as the work is outside of the Code of Audit Practice.

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

Consultations

The draft External Audit Plan has been issued to the Head of Fund and the Chief Executive and Director of Resources and will be finalised in due course.

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