

Pension Fund Committee

Meeting to be held on Friday, 18 June 2021

Electoral Division affected: None;

External Audit 2020/21

(Appendix 'A' refers)

Contact for further information:

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Executive Summary

To provide the committee with information on the external audit plan for 2020/21. The plan sets out in broad terms the programme of work required to give an opinion on whether the financial statements give a true and fair view of the financial position and performance of the Lancashire County Pension Fund as at 31 March 2021, and that the accounts have been prepared in accordance with proper accounting practice.

In addition, a revised audit standard – ISA (UK) 540 Auditing Accounting Estimates and Related Disclosures – takes effect for external audits relating to periods beginning on or after 15 December 2019. Further detail on this is provided in this report.

Recommendations

The Committee is asked to note the external audit plan as set out at Appendix 'A' for the audit of the Lancashire County Pension Fund for 2020/21, and the fees therein.

Background and Advice

The external audit carried out by Grant Thornton aims to provide an opinion on whether the statement of accounts of the Lancashire County Pension Fund give a true and fair view of its financial position and performance, and provide an opinion on the council's value for money arrangements.

The Audit, Risk and Governance Committee has a key role to ensure control and risk management arrangements are effective and therefore an external audit plan was presented to, and noted by, that committee on 26 April 2021.

The audit plan sets out a number of areas including the approach to the audit, the concept of materiality, key risks and dates.

A copy of the plan is attached as Appendix 'A' for information and a representative from Grant Thornton will be available at the meeting to clarify any points.

To comply with International Auditing Standards – Revised IAS 540 - there is a requirement for auditors to request written representations regarding the reasonableness of methods, significant assumptions, and the data used in financial statement figures. The audit is also required to establish an understanding of the management processes in place to prevent and detect fraud related to financial statements and to ensure compliance with law and regulation. They are required to make enquiries as to management's knowledge of any actual, suspected, or alleged fraud and to document management's view on some key areas affecting the financial statements.

To meet these requirements, a series of questions have been issued covering these areas including the key accounting estimates. A response to the questions posed by Grant Thornton is available on request.

Consultations

Grant Thornton
Mercer (the Fund Actuaries)
Local Pensions Partnership Investment Limited
Governance & Risk Officer, LCPF

Implications:

This item has the following implications, as indicated:

Risk management

The response to Grant Thornton will provide information to the external auditor to support their role in determining an opinion on the council's statement of accounts and value for money arrangements for 2020/21.

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