

**Pension Fund Committee**

Meeting to be held on Friday, 8 March 2024

Electoral Division affected:  
N/A;

**Lancashire County Pension Fund - External Audit Findings Report 2022-23**

Appendix 'A' refers.

Contact for further information:

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**Brief Summary**

The external auditor is required to report, to the Audit, Risk and Governance Committee, their audit findings prior to concluding their work and they attended the meeting in January 2024 to present a report on work to date. The auditor also presents their findings to the Pension Fund Committee and the report at Appendix A covers the overall findings of the external auditor in relation to the audit of the annual accounts of Lancashire County Pension Fund for the year ended 31 March 2023.

The audit of the Fund cannot be completed until the audit of the Council is ready to be signed off.

**Recommendation**

The Pension Fund Committee is asked to note the findings in the report, and the other issues raised by the auditor, which are set out in Appendix 'A' and that an updated report is expected to be presented to the Audit, Risk and Governance Committee in April 2024.

**Detail**

Attached at Appendix A is the external auditor's annual audit findings report for Lancashire County Pension Fund for the 2022/23 audit. The report has been produced in accordance with the National Audit Office statutory Code of Audit Practice for Local Government bodies.

Stuart Basnett, Engagement Manager, will attend the meeting to present the report and answer any questions.



It is expected that the auditors' final opinion (covering Lancashire County Council and Lancashire County Pension Fund) will be provided at the Audit, Risk and Governance Committee meeting on 22 April 2024. Usually, this opinion would be provided earlier in the year. It should be noted that this delay is not related to the Pension Fund or its investments. Further headline information on this is provided on page 45 of Appendix A and the external auditor has stated that all upper tier authorities in England were likely to be facing the same issues. However, Lancashire County Council's situation has been exacerbated by the implementation of the new finance system, Oracle Fusion and the timing of the audit work being undertaken. Key highlights from Appendix A are as follows:

- The external auditor anticipates issuing an unqualified audit opinion subject to completion of some outstanding tasks.
- IT related controls in respect of the move from the old to the new pension administration system (Altair to UPM respectively) were judged to be effective; and
- Most significant transactions for the Pension Fund come from, and can be reconciled to, external sources. For example, asset values/transactions against the investment manager statements/custodian records. External Audit were able to get assurance over the financial statements from these sources.

The Annual Report for the Lancashire County Pension Fund was produced ahead of the statutory deadline of 1<sup>st</sup> December 2023, and it will be updated in the new financial year to reflect the auditors' final opinion.

## Appendices

Appendix 'A' is attached to this report. For clarification they are summarised below and referenced at relevant points within this report.

Appendix	Title
Appendix 'A'	Lancashire County Pension Fund - External Audit Findings Report 2022-23

## Consultations

Lancashire County Council Finance Team  
Pension Fund Team  
Grant Thornton

## 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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None

Reason for inclusion in Part II, if appropriate

N/A

