



CORPORATE GOVERNANCE COMMITTEE – 18 JANUARY 2019

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

EXTERNAL AUDIT PLAN 2018/19

Purpose of Report

1. The purpose of this report is to present the External Audit Plan 2018/19 for consideration.

Audit Plan 2018/19

2. The Audit Plan for 2018/19 is included in the Appendix attached to this report. John Gregory from the County Council's external auditors, Grant Thornton UK LLP, will attend the meeting in order to present the Audit Plan and answer any questions.
3. Overall materiality for the audit opinion for the County Council has been set at £14m (£15m 2017/18) and for the Pension Fund at £29m (£31m 2017/18).
4. The significant risks identified by the external auditor for 2018/19 are:
 - Management override of controls – review of management controls over journals, accounting estimates and accounting policies.
 - Valuation of land and buildings – review of the valuation of assets valued on a cyclical basis.
 - Valuation of the pension fund net liability – review of assumptions, methodology and data provided to the Actuary.
 - Pension Fund – valuation of hard to price investments – review of estimates used.
5. External audit fees for 2018/19 are £59,252 for the County Council and £21,280 for the Pension Fund. The fees are set by Public Sector Audit Appointments Limited (PSAA), the sector led body for external auditor appointments. The County Council joined PSAA in 2017.

Recommendation

6. The Committee is asked to note the update provided by Grant Thornton UK LLP.

Equal Opportunities

7. None.

Circulation Under the Local Issues Alert Procedure

8. None.

Background Papers

Appointment of External Auditor 2018/19 – Update, 22 September 2017.

<http://politics.leics.gov.uk/documents/s131842/Auditor%20Appt%20Update%20CGC%2022Sep17.pdf>

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