



Audit Panel

Report title: Risk Assessment – Management Responses

Date: 16 September 2021

Key decision: No

Class: Part 1

Ward(s) affected: All

Contributors: Executive Director for Corporate Resources

Outline and recommendations

The purpose of this report is to contribute towards the effective two-way communication between the London Borough of Lewisham Council's and Pension Fund's external auditors and the London Borough of Lewisham Council's and Pension Fund's Audit Panel, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where we are required to make inquiries of the Audit Panel under auditing standards.

1 Summary

- 1.1 The purpose of this report is to contribute towards the effective two-way communication between the London Borough of Lewisham Council's and Pension Fund's external auditors and the London Borough of Lewisham Council's and Pension Fund's Audit Panel, as 'those charged with governance'.

2 Recommendation

- 2.1 The Audit Panel are asked to consider whether these responses (attached in the appended document) are consistent with its understanding and whether there are any further comments it wishes to make.

3 Policy Context

- 3.1 The information set out in the financial accounts is consistent with the delivery of the Council's corporate priorities (contained within the Corporate Strategy 2018-22) and is particularly relevant to the Council's strong and resilient framework for prioritising action which has assisted the organisation in the face of austerity and ongoing cuts to local government spending.

4 Background

- 4.1 Under International Standards on Auditing (UK), (ISA (UK)) auditors have specific responsibilities to communicate with the Audit Panel. ISA (UK) emphasise the importance of two-way communication between the auditor and the Audit Panel and also specify matters that should be communicated.
- 4.2 This two-way communication assists both the auditor and the Audit Panel in understanding matters relating to the audit and developing a constructive working relationship. It also enables the auditor to obtain information relevant to the audit from the Audit Panel and supports the Audit Panel in fulfilling its responsibilities in relation to the financial reporting process.
- 4.3 As part of our risk assessment procedures there is an understanding of management processes and the Council's and Pension Fund's oversight of the following areas:
- General Enquiries of Management
 - Fraud,
 - Laws and Regulations,
 - Related Parties, and
 - Accounting Estimates.

5 Implications

- 5.1 There are no financial, legal, crime and disorder, equalities or environmental implications directly arising from this report.

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