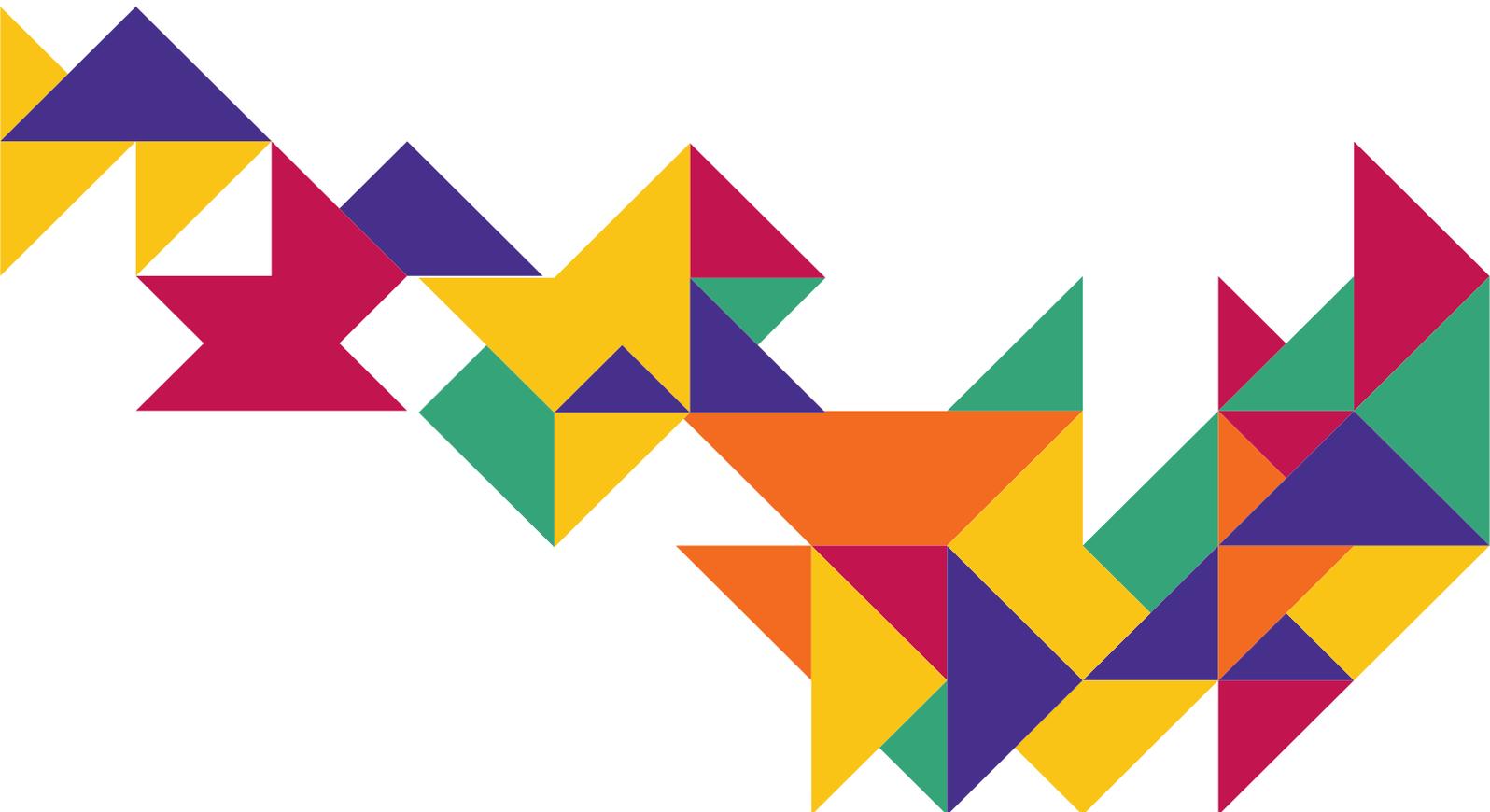


Dumfries and Galloway Council Pension Fund

External Audit plan for the financial year
ended 31 March 2017

Pensions Sub Committee 23 February 2017 *





Grant Thornton

An instinct for growth™

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23 February 2017

Dear Members of the Pensions Sub Committee

External audit plan for the financial year ended 31 March 2017

Please find enclosed our annual external audit plan addressed to those charged with governance for the financial year ended 31 March 2017. We are delighted to have been appointed as your external auditors and look forward to working with you to ensure you get maximum value from our audit work. We will be pragmatic and actively engage with you throughout the year in an open and transparent manner, ensuring you benefit from our wider pension insights.

Our plan sets out how as your auditors we will fully discharge our responsibilities as set out in the Audit Scotland Code of Audit Practice 2016, as well as the requirements set out in International Standards of Auditing (ISA's) (UK and Ireland).

Under the Code, reflecting on the nature and size of Dumfries and Galloway Council Pension Fund we have determined that the full wider scope audit is not appropriate. However, as set out in the Code, we will ensure our work allows us to make suitable conclusions in respect of the appropriateness of disclosures in the governance statement and the funding position of Dumfries and Galloway Council Pension Fund over the medium to long term.

In particular in conjunction with our audit of Dumfries and Galloway Council our approach delivers:

- A robust challenge of your judgements and key aspects of your financial statements, in particular in respect of the significant audit risks and other audit risks as highlighted in this plan
- A clear and concise annual report addressed to those charged with governance and the Controller of Audit, reporting the outcome of our work during the year and reflecting our key judgements and conclusions over your arrangements as relevant to our audit role.

I look forward to working with you over the course of our appointment and discussing this plan with you the on 23rd February.

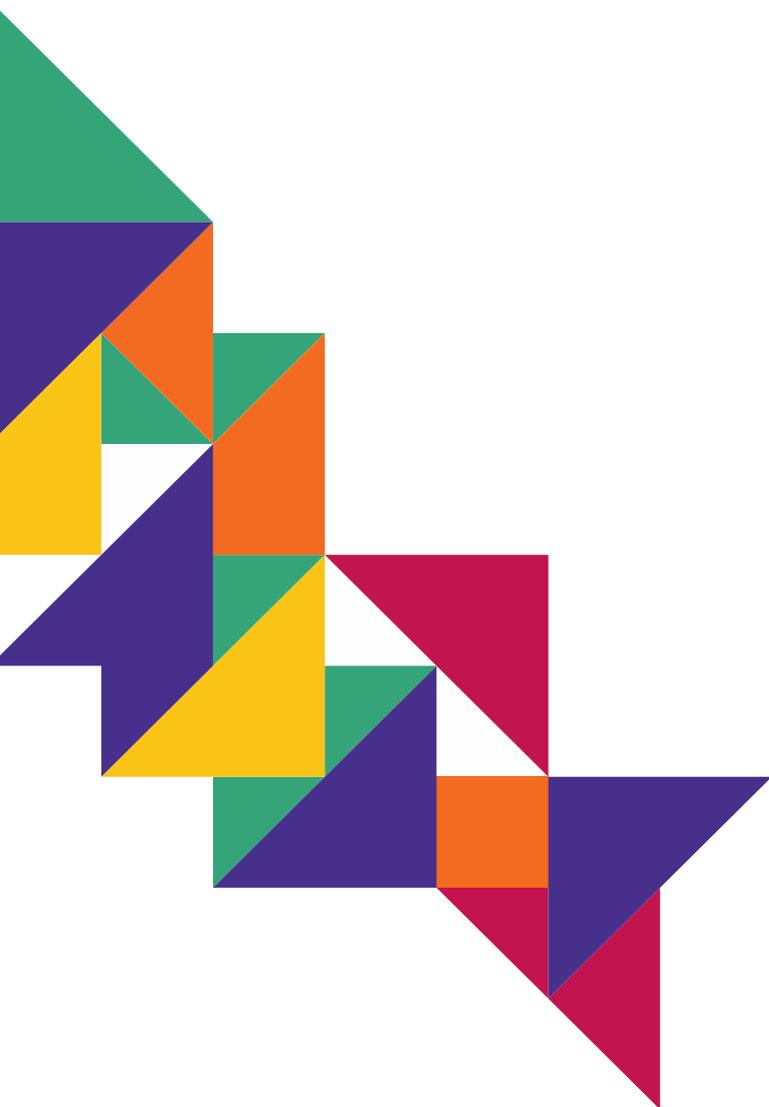
Joanne Brown, Engagement Leader

Director, Head of Public Sector Audit Scotland
For Grant Thornton UK LLP

Chartered Accountants

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Our approach at a glance

A smooth transition

- We have extensive experience of transitioning into new clients and will do this at minimum disruption to you.
- We will quickly look to build up good working relationships with your team.
- We will produce a high level communication plan with you upfront and agree key dates for our work and deliverables.

Regular meetings throughout the process

- Joanne Brown / Richard Anderson will meet with you on a regular basis, discuss your emerging issues and act as a sounding board.
- A Senior member of the team will attend Pensions Sub Committee meetings.
- We will hold private meetings with the Pensions Sub Committee as required.

Feedback from you

- Debrief meeting with senior finance staff.
- Client service review undertaken and feedback and shared with all of our team.
- Action plan to address findings.

Completion

- Finalise all statutory accounts by Local Government deadline; submitting to Audit Scotland by 30 September 2017. Sign accounts and audit opinion.

August Pensions Sub Committee meeting

- Present Annual Report to those Charged with Governance.
- Discuss key audit issues; associated risks identified and action plan.
- Hold pre-meeting with Pensions Sub Committee if required.

Annual Report to those charged with Governance

- Sets out key audit and accounting issues and how these have been resolved.
- Provides comments on systems and controls, and review of accounting policies; conclusions and judgements in respect of your arrangements.

Audit clearance meeting – August 2017 (to be finalised)

- Discuss audit issues with management.
- Agree treatment of any unadjusted differences.
- Practical recommendations on systems and controls.

Audit planning meeting

- Meeting with Treasury & Pension Fund Manager and team (3rd February).
- Discussed Investment portfolio and arrangements with State Street (Custodian) and Hymans Robertson (Actuary).
- Discussed timings of audit, potential audit risks and work planned for key systems (investments, member data, contributions and benefits).

Audit Plan

- Confirm audit risk areas and agreed audit approach.
- Set out audit scope and agreed timetable, including how we discharge our responsibilities under the Audit Scotland code of practice.
- Formal communication with the Pensions Sub Committee (23rd February).

Interim audit

- Review of pensions systems and controls.
- Assess the control environment using our pensions expertise.
- Early work on key areas of audit risk.
- Liaise with internal audit review outputs and assess impact on our work where relevant (in conjunction with the Council audit).

Final accounts audit

- Focused on risk areas, with on-site Engagement Lead review.
- IDEA interrogation software utilised to provide efficiency and insight (data analytics).
- Audit issues and potential adjustments, discussed and cleared with you as they arise.
- Work carried out by a team with relevant experience and knowledge of the LGPS sector..

Annual report including annual governance statement

- Check the annual report is consistent with the accounts and meets the requirements set out in the CIPFA Code of Practice.
- Check the governance statement is consistent with our knowledge of Dumfries and Galloway Council Pension Fund.

Our approach at a glance (continued)

In summary our audit is risk based and undertaken in accordance with International Standards of Auditing ("ISA (UK&I)") and Audit Scotland Code of Practice 2016.

We will continue to understand your fund, organisational arrangements and changes, within the context of the wider LGPS Sector in Scotland. Key to this will be understanding the implications of the triennial valuation as at 31st March 2017.

We will discuss any changes to LGPS governance, administration and investment regulations with you as well as the financial reporting changes brought in by the 2016/17 Code. The main change to the Code for Pension Funds is the extension of the fair value disclosures required under the Code from 2016/17. We are happy to have an early discussion around the impact of this change on your financial instruments note, in particular around the classification of investments within the fair value hierarchy.

Changes in the 2016/17 code are reflected in CIPFA's pension fund example accounts alongside further changes including an analysis of Investment Management expenses in line with CIPFA's Local Government Pension Scheme Management Costs guidance, a realignment of investment classifications, and an additional disclosure note covering remuneration of key management personnel which has been included in related party transactions.

Our audit will be largely substantive in nature although under our ISA requirements we will seek to understand your internal control environment with a particular focus on the significant systems relating to Investments, Member Data Contributions and Benefit Payments. We will also seek to understand your key policies and procedures, segregation of duties and budgeting and financial reporting arrangements.

Internal Audit

As set out in ISA (UK&I) 610 'using the work of internal auditors' we are prohibited from using internal audit to provide direct assistance' to the audit, therefore we design our approach to internal audit to ensure compliance with these requirements.

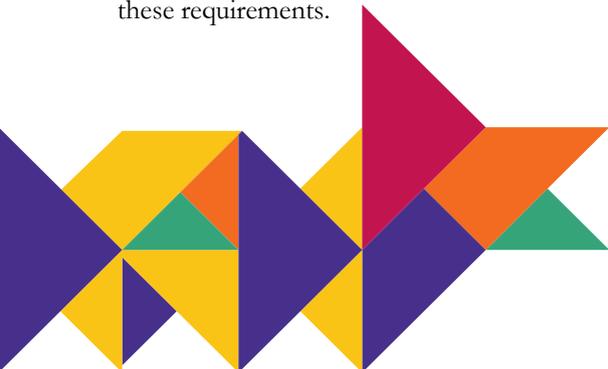
We will review the internal audit plan for 2016/17 and will review reports finalised during the year and meet with internal audit to discuss their work including their understanding of the control environment and potential fraud risks. Should internal audit identify specific material deficiencies in the control environment during the year we will consider the impact of this on our planned audit approach and substantive testing, adjusting our work where appropriate.

We will work together with internal audit in respect of our risk assessment, minimising any risk of duplication or inefficiency. However we do not intend to take specific reliance on the work performed in the period.

Professional standards

Our objective is robust, quality driven external audit which adds value to you. Our team works to the highest level of professional standards in delivering their work. Specifically we would highlight:

- professional scepticism will be applied throughout the audit, in particular in respect of significant or key judgements.
- we will provide robust challenge to management based on our significant Public Sector experience, including wider LGPS experience (Scotland and UK).
- we will seek to really understand your culture and ethics as well as Dumfries and Galloway Council Pension Fund's strategic priorities, risks and challenges and how you operate on a day to day basis. This will mean our approach is suitably tailored to you and risk based.
- we will involve necessary specialists to support us in our audit work, in particular our internal pensions technical team.
- we will use IDEA, our data analytical software to effectively and efficiently test your balances and transactions during the year including for example journals.



Materiality

We are required to audit the financial statements and to give an opinion as to:

- whether they give a true and fair view of the financial position of the Dumfries and Galloway Council Pension Fund and its expenditure and income for the period 1 April 2016 to 31 March 2017.
- whether they have been prepared properly in accordance with relevant legislation, applicable accounting standards and other reporting requirements.

Determining materiality

In performing our audit, we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit.

The standard states that 'misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements'.

Overall materiality

For public sector entities, materiality is typically determined as a percentage of gross expenditure. However due to the nature of Pension Funds we have determined materiality for our financial statements audit as a proportion of net assets. Using Dumfries and Galloway Council Pension Fund's Net Assets as at 31st March 2016, we have calculated our preliminary planning materiality as £6.921 million (1% of Net Assets).

It is normal practice for us to reconsider our materiality levels when final accounts are available for audit. We will report any changes in our materiality threshold to you within our Annual Report to those charged with governance.

Performance materiality

Performance materiality is set at £4.499 million and is calculated based on 65% of materiality, and represents the amount set for the financial statements as a whole to reduce the probability that the aggregate of uncorrected and undetected misstatements exceed materiality.

Trivial

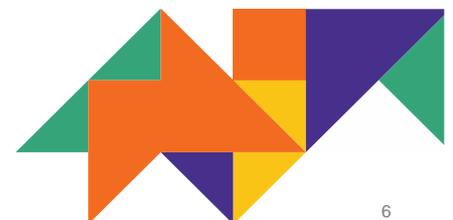
Under ISA 540, auditors set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulation of such amounts would have a material effect on the financial statements. We have defined the amount below which misstatements would be clearly trivial to be £0.069million (1% of materiality). We will report to you any adjustments identified through our audit work if below these thresholds and where we consider them to be material by nature.

Separate Materiality

ISA 320 also requires auditors to determine separate, lower, materiality levels where there are 'particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users'. We have identified the following items where separate materiality levels are appropriate:

Management expenses- Due to public interest in these disclosures.

Related party transactions- Due to public interest in these disclosures and the statutory requirement for them to be made.



Significant audit risks

There are two presumed significant risks which are applicable to all audits under ISA (UK&I) 315 and these are outlined below, alongside any other significant risks we have identified as part of our planning work.

Significant Risk	Description of risk	Work planned
1 Management override of controls	Under ISA (UK&I) 240 there is a presumed risk that the risk of management over-ride of controls is present in all entities (fraud risk)	<p>We will:</p> <ul style="list-style-type: none"> • Complete walkthroughs of the controls and procedures in place around journal entries • Review the key accounting estimates, judgements and decisions made by management • Test journal entries with a focus on unusual posting sources, times or amounts identified using our IDEA data analysis software • Review unusual and/or significant transactions.
2 The revenue cycle includes fraudulent transactions	<p>Under ISA 240 (UK&I) there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Dumfries and Galloway Council Pension Fund, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of local authorities, including Dumfries and Galloway Council as the administering authority, mean that all forms of fraud are seen as unacceptable.
3 Level 3 Investments – Valuation / Classification is incorrect	Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end. The classification of investments within the fair value hierarchy in the Financial Instruments note also requires a significant degree of judgement.	<p>We will:</p> <ul style="list-style-type: none"> • Understand the process for valuing level 3 investment through discussions with relevant personnel from the Pension Fund during the interim audit. • Perform walkthrough tests of the controls identified in the process. • Review the classification of investments within the fair value hierarchy in the Financial Instruments note. • Test valuations by obtaining and reviewing the audited accounts at latest date for individual investments and agreeing these to the fund manager reports at that date. Reconciliation of those values to the values at 31st March with reference to known movements in the intervening period. • Review the qualifications of the fund managers as experts to value the level 3 investments at year end and gain an understanding of how the valuation of these investments has been reached. • Review the nature and basis of estimated values and consider what assurance management has over the year end valuations provided for these types of investments. • Review the competence, expertise and objectivity of any management experts used.



Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty

Other relevant audit risks identified when planning our audit

As part of our planning work we identified other potential risks of material misstatement where the likelihood of material misstatement can not be reduced to remote, without gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement is lower than that for a significant risk for example these areas are not considered to be areas that are highly judgemental, or unusual in relation to the day to day activities of Dumfries and Galloway Council Pension Fund.

Area	Description of risk	Work planned
Investment Income	Investment activity not valid. Investment income not accurate. (Accuracy)	We will <ul style="list-style-type: none"> • Complete a walkthrough of the controls and procedures around investment income. • Review the reconciliation of information provided by the fund managers, the custodian and the Pension Fund's own records and seek explanations for variances.
Investment purchases and sales	Investment activity not valid. Investment valuation not correct	We will: <ul style="list-style-type: none"> • Complete a walkthrough of the controls and procedures around investment purchases and sales. • Review the reconciliation of information provided by the fund managers, the custodian and the Pension Fund's own records and seek explanations for variances.
Investment values – Level 2 investments	Valuation is incorrect. (Valuation net)	We will: <ul style="list-style-type: none"> • Complete a walkthrough of the controls and procedures around valuation of level 2 investments. • Review the reconciliation of information provided by the fund managers, the custodian and the Pension Fund's own records and seek explanations for variances.



The auditor should evaluate the design and determine the implementation of the entity's controls, including relevant control activities, over those risks for which, in the auditor's judgment, it is not possible or practicable to reduce the risks of material misstatement at the assertion level to an acceptably low level with audit evidence obtained only from substantive procedures

(ISA (UK&I) 315).

Other relevant audit risks identified when planning our audit (continued)

Area	Description of risk	Work planned
Contributions	Recorded contributions not correct (Occurrence).	We will <ul style="list-style-type: none"> • Complete a walkthrough of the controls and procedures around contributions. • Controls testing over occurrence, completeness and accuracy of contributions. • Rationalise contributions received with reference to changes in member body payrolls and numbers of contributing pensioners to ensure that any unexpected trends are satisfactorily explained.
Benefits payable	Benefits improperly computed/claims liability understated (Completeness, accuracy and occurrence)	We will: <ul style="list-style-type: none"> • Complete a walkthrough of the controls and procedures around benefit payments. • Controls testing over, completeness, accuracy and occurrence of benefit payments, • Test a sample of individual pensions in payment by reference to member files. • We will rationalise pensions paid with reference to changes in pensioner numbers and increases applied in the year to ensure that any unusual trends are satisfactorily explained.
Member Data	Member data not correct. (Rights and Obligations)	We will: <ul style="list-style-type: none"> • Complete a walkthrough of the controls and procedures around member data. • Controls testing over annual/monthly reconciliations and verifications with individual members. • Sample testing of changes to member data made during the year to source documentation.

A quality audit

Ensuring we deliver on our commitments to you is important to us.

Our liaison meetings are an opportunity to discuss our performance and confirm your expectations about audit outputs and audit approach including our team interactions with you for example, are being met.

We will look to use the performance metrics set out below so you can assess our performance; and we will report our progress back to you.

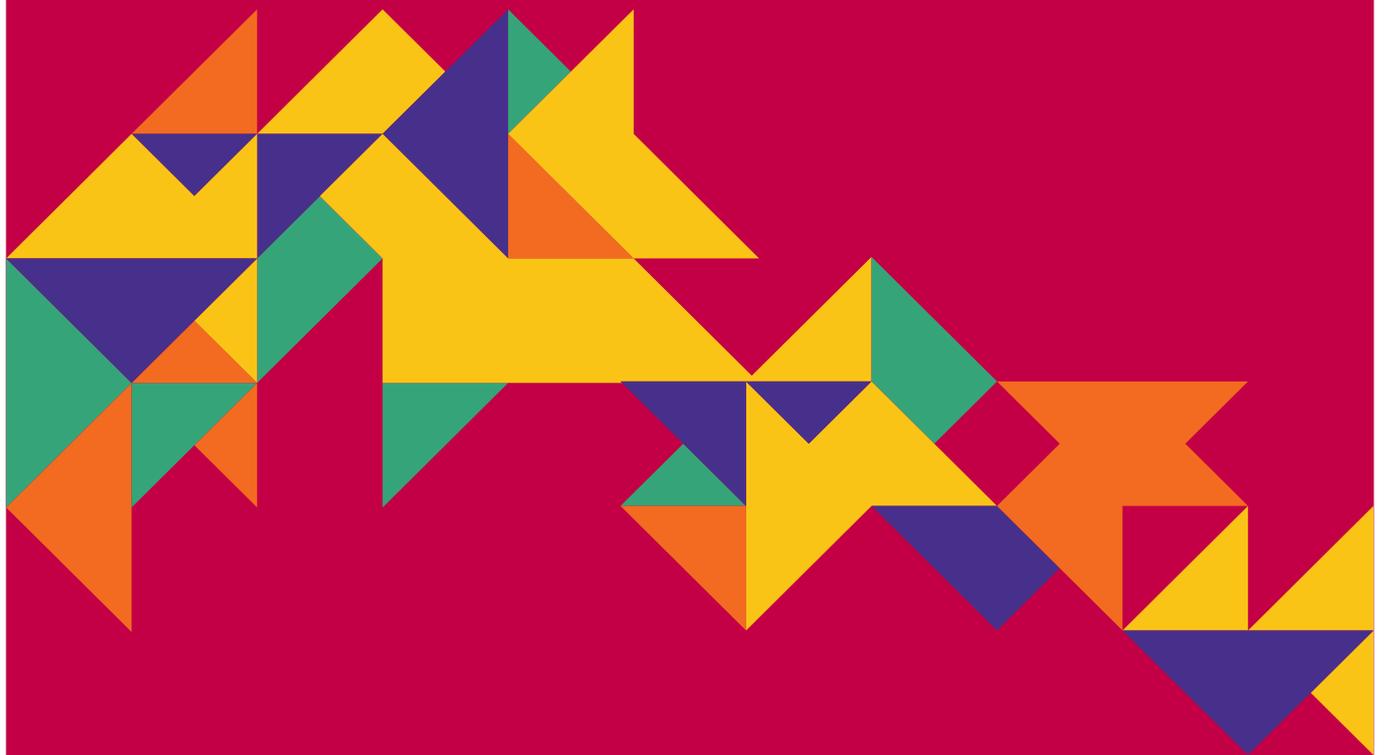
We will also undertake regular client service reviews so that you can tell us how we are performing, as well as recognising that Audit Scotland will also ask you for feedback on us. We take your feedback seriously and will seek to continually improve our service, reflecting on your ongoing feedback.

The table outlines the service levels that you can expect as a minimum. We will always strive to do more, and deliver above and beyond these.

Area	Proposed service level and indicator
Response time	<ul style="list-style-type: none"> • We will respond to all minor queries or requests for assistance within two working days. • We will provide an initial response to all major queries or requests for assistance within two working days, with full responses within five working days. • We will acknowledge any complaint by return and will resolve it in discussion with you within two working days. We will escalate any complaint at your request.
Achievement of planned inputs and milestone	<ul style="list-style-type: none"> • We will not vary the total approved audit fee, except by prior approval by the Head of Finance and Procurement and the Pensions Sub Committee. • We will achieve all key milestone dates and audit inputs, as agreed with you at the start of the year. All papers for the Pensions Sub Committee will have been reviewed by management and submitted in advance of the paper deadlines (100% target).
Liaison	<ul style="list-style-type: none"> • We will agree a schedule of liaison meetings with you at the start of each year, along with the proposed dates for our on-site work. • Joanne Brown and/or Richard Anderson will attend liaison meetings with other core and support team members as required. • We will confirm agendas for every liaison meeting a week in advance to allow the most appropriate colleagues to participate. • We will attend all Pensions Sub Committee meetings with the engagement lead attending as a minimum two per annum.
Reporting	<ul style="list-style-type: none"> • Our reports will be clear and concise and include sufficient, appropriate detail based on evidence/our work, conclusions and judgements.
Audit protocol	<ul style="list-style-type: none"> • We will comply with all auditing and ethical standards and will maintain the integrity, objectivity and independence of the team at all times (100%).
Client feedback	<ul style="list-style-type: none"> • We will informally seek your feedback throughout the year. On an annual basis we will undertake a client satisfaction survey with an aim of a score of 8 or above (out of 10).

Appendices

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Our commitments to you aligned to the principles set out in the Code of Audit Practice

Independent

- full compliance with independence and ethical standards

Co-ordinated & integrated

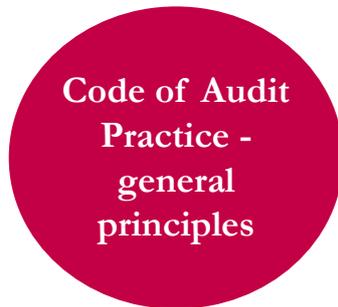
- co-ordination with Controller of Audit and Audit Scotland
- seeking to minimise duplication/inefficiency with assurance providers for example internal audit
- sharing of Audit Scotland National Reports including action plans

Adds value

- clear and concise Annual Report to those charged with governance
- recommended actions which make a difference to you and are aligned to your risk framework
- judgements and conclusions-supported by evidence

Proportionate & risk based

- focus on significant audit risks
- tailored to you and your strategic goals



Transparent

- clear plan linked to final reporting
- upfront, open engagement
- responsive to your queries
- consideration of potential contentious audit areas upfront to agree early resolution

Quality focused

- fully ISA (UK & Ireland) compliant audit
- full compliance with Audit Scotland Code of Audit practice
- rigorous quality checks built into our audit approach
- an internal audit quality compliance programme

Public focused

- focus on user of the accounts and what matters to them
- commentary supported by evidence
- risk based and relevant to you
- jargon free, easy to understand reports

Our team and deliverables

The audit cycle



Our team

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Date	Activity	Audit Scotland Deliverables
November 2016	Handover meeting with predecessor auditor Review of predecessor audit file to gain comfort over opening balances	
February 3 rd 2017	Initial Meeting with Management	Current issues return 1 (deadline 3 rd February 2017) – covering matters of ministerial or Auditor General interest and best value elements
23 rd February 2017	Audit Plan presented to Pensions Sub Committee	Submit Audit Plan (deadline 31 March 2017)
February - April 2017	Interim site visit (timing to be finalised)	
June 2017	Year end fieldwork commences	
August 2017	Audit findings meeting with Management	
August 2017	Report audit findings to those charged with governance (Pensions Sub Committee)	Certify annual accounts, submit annual accounts and annual audit report (deadline 30 th September)
August 2017	Sign financial statements opinion	
September 2017	Debrief and learning meeting	



Independence and fees

External Audit Fee

Service	Fees £
Auditor Remuneration	20,930
Pooled Costs	1,820
Contribution to Audit Scotland Costs	1,250
Total audit fees	24,000

The audit fee is calculated in accordance with guidance issued by Audit Scotland. Audit Scotland sets an expected fee for each body that assumes the organisation has sound governance arrangements in place; has been operating effectively throughout the year; prepares comprehensive and accurate draft accounts; does not have significant non-standard or complex transactions and contracts and meets the agreed timetable for audit. The auditor remuneration element of the fee may be varied up to 10% above the expected fee where local issues require additional work to be undertaken.

We have agreed that the fee for 2016/17 will be maintained at expected fee as shown above.

Typically our fee assumptions include:

- supporting schedules to all figures in the accounts are supplied by the agreed dates and in accordance with the agreed upon information request list.
- the scope of the audit, and Dumfries and Galloway Council Pension Fund activities will not change significantly from planned.
- Dumfries and Galloway Council Pension Fund will make available management and accounting staff to help us locate information and to provide explanations.
- We will receive (and audit) no more than 3 sets of accounts (1st draft; amended draft and final).

Fees for other services

Service	Fees £
At planning stage we confirm there are no non-audit fees	Nil

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

Full details of all fees charged for audit and non-audit services will be included in our Annual Report to those charged with governance at the conclusion of the audit.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

We are required by auditing and ethical standards to communicate any relationships that may affect the independence and objectivity of the audit team. We can confirm no independence concerns have been identified.



Fraud arrangements

The term fraud refers to intentional acts of one or more individuals amongst management, those charged with governance, employees or third parties involving the use of deception that result in a material misstatement of the financial statements. In assessing risks, the audit team is alert to the possibility of fraud at Dumfries and Galloway Council Pension Fund.

As part of our audit work we are responsible for:

- identifying and assessing the risks of material misstatement of the financial statements due to fraud in particular in relations to management override of controls,
- designing and implementing appropriate audit testing to gain assurance over our assessed risks of fraud,
- responding appropriately to any fraud or suspected fraud identified during the audit.

As auditors we obtain reasonable but not absolute assurance the financial statements as a whole are free from material misstatement, whether due to fraud or error. We will obtain annual representation from management regarding managements assessment of fraud risk, including internal controls, and any known or suspected fraud or misstatement. In addition, we will ask the question of the Pensions Sub Committee at the planning stage and routinely during the audit.

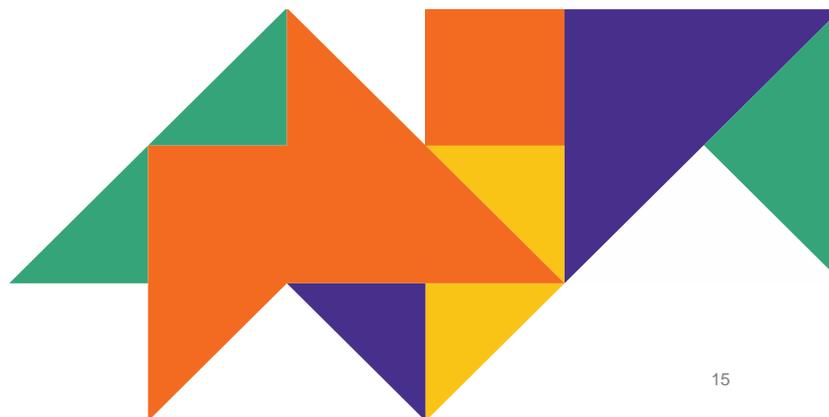
The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance including establishing and maintaining internal controls over the reliability of financial reporting effectiveness and efficiency of operations and compliance with applicable laws and regulations.

It is Dumfries and Galloway Council Pension Funds responsibility to establish arrangements to prevent and detect fraud and other irregularity. This includes:

- developing, promoting and monitoring compliance with standing orders and financial instructions,
- developing and implementing strategies to prevent and detect fraud and other irregularity,
- receiving and investigating alleged breaches of proper standards of financial conduct or fraud and irregularity.

Throughout the audit we work with Dumfries and Galloway Council Pension Fund to review specific areas of fraud risk, including the operation of key financial controls. We also examine the policies in place, strategies, standing orders and financial instructions to ensure that they provide a strong framework of internal control.

In addition, as set out in the Audit Scotland Code of Audit Practice we have a role in reviewing Dumfries and Galloway Council's NFI arrangements, in response to the national fraud initiative exercise.



Respective responsibilities

As set out in the Code of Audit Practice (pages 10 to 16) there are a number of key responsibilities you as an organisation are responsible for, and others, as appointed auditors we are responsible for. These are summarised below:

Area	Dumfries and Galloway Council Pension Fund's Responsibilities
Corporate governance	<ul style="list-style-type: none"> • Establishing arrangements for proper conduct of its affairs • Legality of activities and transactions • Monitoring adequacy and effectiveness of arrangements (inc role of those charged with governance)
Financial statements	<ul style="list-style-type: none"> • Preparing financial statements which give a true and fair view of their financial position • Maintaining accounting records and working papers • Putting in place systems of Internal Control • Maintaining proper accounting records • Preparing and publishing a governance statement • Effective systems of internal control as well as financial, operational and compliance controls – supporting achievement of objectives and secure value for money
Financial position	<ul style="list-style-type: none"> • Proper arrangements to ensure financial position is soundly based and responsibility to ensure arrangements secure best value
Fraud and error	<ul style="list-style-type: none"> • Establishing appropriate arrangements for prevention and detection of fraud, error, irregularities, bribery and corruption and affairs are properly managed

Our responsibilities

- Undertake statutory duties and comply with professional engagement and ethical standards
- Provide an opinion on financial statements and where appropriate regularity of transactions
- Review and report on, as appropriate, other information eg. governance statements.
- Notify the Controller of Audit when circumstances indicate a statutory report may be required
- Demonstrate compliance with wider public audit scope

How do we do this in practice

- By reviewing and providing judgements and conclusions on the Fund's arrangements
- Consideration of the effectiveness of performance management arrangements
- Suitability and effectiveness of corporate governance arrangements in year
- Financial position and arrangements for ensuring financial sustainability in the medium to longer term
- Review of other information in line with our knowledge and understanding of the fund
- Ongoing dialogue and engagement with Audit Scotland during the year

Weaknesses and risks identified by us as your auditors are only those which have come to our attention during our normal audit work in accordance with the Code, and may not be all that exist. Communication by us of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Communication of audit matters with those charged with governance (summary of ISA requirements)

Our communication plan	Audit Plan	Annual Audit Report
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to the auditor's report, or emphasis of matter		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern		✓

International Standards on Auditing (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

This document outlines our audit strategy and plan to deliver the audit, while the Annual Audit Report will be issued prior to approval of the financial statements and will present key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to Dumfries and Galloway Council Pension Fund



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