

Open Report on behalf of Executive Director Resources and Community Safety

Report to:	Audit Committee
Date:	26 September 2011
Subject:	Statement of Accounts for Lincolnshire County Council and the Lincolnshire County Council Pension Fund for the year ended 31 March 2011 and External Audit Update

Summary:

The Statement of Accounts for Lincolnshire County Council and the Lincolnshire County Council Pension Fund for the financial year 2010/2011 should be completed and independently audited to meet the statutory deadline to publish by 30 September 2011.

This report provides an update on the status of the Financial Statements and progress towards External Audit giving an opinion on both the County Council accounts and the Pension Fund accounts.

Recommendation(s):

The Audit Committee are asked to note the current status of the Financial Statements and progress towards External Audit giving an opinion on the accounts.

Background

Lincolnshire County Council Statement of Accounts

The Audit Committee were presented with the draft Statements of Accounts for 2010/11 at the meeting on 14 July 2011. At this meeting members were asked to scrutinise and comment on the draft Statement of Accounts.

Discussed at this meeting were the difficulties which have been experienced in preparing the Accounts. Regrettably this has continued and the approval and audit of the Statement of Accounts remains behind schedule. This means the statutory deadline of publishing audited financial statements by the end of September will not be met.

The statements are being prepared for the first time under International Financial Reporting Standards (IFRS). The Council and its partner Mouchel, like many

others, have found this to be both a technically challenging and a resource intensive process. This led to delays in preparing the accounts and working papers to the standard required by external audit. This has resulted in work not being completed in time to meet the schedule previously agreed with the external auditors to enable them to complete their audit work for the end of September.

Work on the accounts and supporting working papers has now been concluded and our external auditors have returned to complete the audit. Their work began in week commencing 19 September and a verbal update on progress will be given at the meeting.

A special meeting of this committee has been arranged for 31 October 2011 when the Statement of Accounts will be presented with the conclusion of the external auditors work and their Annual Governance Report.

In light of the problems experienced this year a thorough review of the accounts closure process will be undertaken with our colleagues in Mouchel to ensure the pre-agreed closure timetable is met in future years. This will be reported back to members of this committee in the coming months, along with progress in achieving this.

Lincolnshire County Council Pension Fund Statement of Accounts

Also at the meeting on 14 July this committee was presented with the Lincolnshire County Council Pension Fund accounts. The external auditors, The Audit Commission have now completed their work on the Pension Fund Accounts. This work has now been concluded and the external auditors will issue an unqualified opinion on the Pension Fund accounts.

Conclusion

The Statement of Accounts for 2010/11 will be brought back to the Audit Committee to be approved at a special meeting to be held on 31 October 2011. The External Auditor's Annual Governance Report will also be presented at this meeting.

Consultation

a) Policy Proofing Actions Required

N/A

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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