



# External Audit: Progress Report

**Lincolnshire Pension Fund**

September 2016

# Contents

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## External audit progress report – September 2016

Page

3

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website ([www.psa.co.uk](http://www.psa.co.uk)).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact John Cornett, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers (on 0207 694 8981, or by email to [andrew.sayers@kpmg.co.uk](mailto:andrew.sayers@kpmg.co.uk)). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk), by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3H.

# External audit progress report - September 2016

This document provides the Pensions Committee with a summary of the status of the audit of the Lincolnshire Pension Fund 2015/16 Accounts.

Page 165

<p><b>Planning</b></p>	<p>We presented the draft 2015/16 audit plan for the external audit of Lincolnshire County Council ('the Authority') and the Lincolnshire Pension Fund to the March 2016 Audit Committee. We continued to liaise with management on the significant financial and operational issues at the Council and the Fund.</p> <p>In our audit plan we identified two significant audit risks for the 2015/16 Pension Fund accounts:</p> <ul style="list-style-type: none"> <li>• The changes to the Authority's corporate financial systems in the year, which affects the accounts of the Authority and Pension Fund; and</li> <li>• The change in the Pension Fund's pensions administration support services provider.</li> </ul> <p>We identified in our audit plan the additional audit procedures required relating to these risks.</p> <p>We liaised with the pensions team as part of the interim and final accounts visits (carried out in February and June/July 2016 respectively) and agreed the working papers and other audit evidence required for our audit.</p>
<p><b>Financial statements Audit</b></p>	<p>The Authority published its draft financial statements (including the Pension Fund statements) on 1 July 2016.</p> <p>Our audit of the Pension Fund accounts is complete.</p> <ul style="list-style-type: none"> <li>• Our audit of the Pension Fund accounts did not identify any material misstatements. There are no adjusted or unadjusted audit differences that we need to report to the Audit Committee. We identified a small number of presentational adjustments. Other minor presentational adjustments were required to address casting and cross-referencing issues. We understand that managers have processed these changes in the final version of the amended statements.</li> <li>• There are no matters directly arising from our audit work on the significant risks that apply to the Pension Fund that we need to report.</li> </ul> <p>We have also reviewed the draft Pension Fund Annual Report and confirmed that:</p> <ul style="list-style-type: none"> <li>• It complies with the requirements of the Local Government Pension Scheme (Administration) Regulations 2008; and</li> <li>• The financial information it contains is not inconsistent with the financial information contained in the audited financial statements.</li> </ul>
<p><b>Completion</b></p>	<p>The Authority publishes a single Statement of Accounts, including the accounts of the Authority and the Pension Fund.</p> <p>We anticipate issuing an unqualified audit opinion on the Pension Fund accounts following approval of the Statement of Accounts by the Audit Committee and the signing of the standard Letter of Management Representations. We expect to issue the audit opinion by, or shortly after 30 September 2016.</p> <p>We anticipate issuing an unqualified opinion on the Pension Fund Annual Report at the same time as our opinion on the Statement of Accounts.</p> <p>We will update the Pension Fund managers if there are any further issues or changes to the anticipated audit opinions.</p>



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