

**Open Report on behalf of Andrew Crookham, Executive Director -
Resources**

Report to:	Audit Committee
Date:	23 September 2019
Subject:	Annual Audit Letters for Lincolnshire County Council & Lincolnshire Pension Fund for the year ending 31 March 2019

Summary:

This report presents the Annual Audit Letters from our external auditors, Mazars, for Lincolnshire County Council and the Lincolnshire Pension Fund for the financial year 2018/19.

Recommendation(s):

The Executive Director - Resources recommends that the Audit Committee notes:

- The Annual Audit Letter for Lincolnshire County Council, which is attached at Appendix A; and
- The Annual Audit Letter for the Lincolnshire Pension Fund, which is attached at Appendix B.

1. Background

1.1 The Statements of Accounts for 2018/19 and the external audit of these accounts have been considered by the Audit Committee at its last two meetings on 17 June 2019 and on 22 July 2019. At the most recent of these meetings our external auditors, Mazars, presented the results of their audit of the statutory accounts which was largely complete at that time.

1.2 The audit of the accounts is now fully complete and the auditors have provided their Annual Audit Letters which summarise the work carried out by the auditors and the conclusions they reached. The Annual Audit Letter for Lincolnshire County Council is attached at Appendix A, and the Annual Audit Letter for the Lincolnshire Pension Fund is attached at Appendix B.

Annual Audit Letters

1.3 The Executive Summaries in both letters report positive conclusions arising from this year's audit, and this is followed by more detail in the subsequent sections of each letter.

1.4 Section 6 of each letter provides a forward look to future audit developments and details how Mazars intend to work with us as we deal with upcoming challenges.

Financial Implications

1.5 Each Annual Audit Letter gives details of the fee expected to be charged by Mazars. The fee for the audit of the financial statements was expected to be £82,640. The additional audit work arising from the amendments to pension values in the accounts as a result of the Guaranteed Minimum Pension issue and McCloud legal judgement means that there may be an additional fee charged. This amount has not yet been confirmed and is subject to the approval of Public Sector Audit Appointments Limited (PSAA).

1.6 The fee for audit work relating to the Lincolnshire Pension Fund will be £18,750, as was originally proposed.

1.7 In addition to the Pension Fund audit fee, it is expected, subject to PSAA approval, that the Fund will be charged £1,200 for ten employers receiving audit assurance work on their actuaries accounting reports. These costs cannot be met by the Fund, therefore they will be recharged to the employers receiving this assurance work.

Publication of Information

1.8 The two Annual Audit Letters will be published on our website. The Pension Fund received the consistency opinion on its Annual Report and Accounts on 29 August. A copy of the Lincolnshire Pension Fund Annual Report and Accounts are published here:

[Link to Lincolnshire Pension Fund Annual Report](#)

2. Conclusion

2.1 The Annual Audit Letters bring to a close the annual preparation, audit and publication of our statutory accounts.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

N/A

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Lincolnshire County Council Annual Audit Letter
Appendix B	Lincolnshire Pension Fund Annual Audit Letter

5. Background Papers

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

This report was written by Michelle Grady, who can be contacted on 01522 553235 or michelle.grady@lincolnshire.gov.uk.

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