



Regulatory and Other Committee

Open Report on behalf of Pete Moore, Executive Director Finance and Public Protection

Report to:	Audit Committee
Date:	26 September 2016
Subject:	External Audits ISA 260 Report to Those Charged with Governance on Lincolnshire County Council's Statement of Accounts and Lincolnshire County Council Pension Fund Accounts for 2015/16

Summary:

The Statement of Accounts for Lincolnshire County Council and for Lincolnshire County Council Pension Fund for the financial year 2015/16 have been completed and independently audited.

This report sets out the External Auditors findings in their ISA 260 Report to Those Charged with Governance for the County Council's and Pension Fund Accounts (Appendix A).

Recommendation(s):

The Executive Director (Finance and Public Protection) recommends the Audit Committee:

1. Consider the External Auditors Report to Those Charged with Governance (ISA 260) for Lincolnshire County Council and the Pension Fund (Appendix A); and
3. Approve the Letter of Representation on behalf of the Council to enable the Audit Opinion to be issued (Appendix B).

Background

1.1 The Audit Committee were presented with the draft Statements of Accounts for 2015/16 for scrutiny and comment at its meeting on 18 July 2016. Our external auditors, KPMG, have now completed their work on the draft Statements and have issued their ISA 260 Reports to Those Charged with Governance for the Lincolnshire County Council Statement of Accounts and for the Pension Fund Accounts.

1.2 **Appendix A** to this report is KPMG's ISA 260 Report to Those Charged with Governance, this report summarises the key issues identified during the audit of

the Council's financial statements for the year ending 31 March 2016 and the assessment of our arrangements to secure value for money in the use of resources.

1.3 The Audit Committee is asked to consider KPMG's ISA 260 report. The key points contained in the report are:

- Section two – Headlines (pages 5 to 8). This summarises the headline messages from KPMG's audit. These are:
 - The External Auditors work is still ongoing on the County Council Statement of Accounts. They expect to give their audit opinion in October 2016.
 - The External Auditors have completed their work on the Pension Fund Financial Statements and expect to issue an unqualified audit opinion.
 - To date the External Auditor has not identified any material errors within the financial statements to be reported to the Audit Committee.
 - KPMG are currently finalising the position on the Value for Money conclusion and will update the Committee with their findings at the meeting.
- Further details on the Financial Statements audit are provided in section three (pages 9 to 19) and on the Value for Money Conclusion in section four (pages 20 to 22).
- Appendix One – Key Issues and Recommendations (pages 23 to 27) sets out the audit recommendations for next year's Financial Statements and comments on last year's recommendations.
- Appendix Two – Audit Differences (pages 28 to 29) sets out details of the corrected differences in the Financial Statements and the uncorrected differences.
- Appendix Three – Declaration of Independence and Objectivity (pages 30 to 31).
- Appendix Four – Audit Fees (page 32).

Letter of Representation

1.7 **Appendix B** sets out the draft Letter of Representation. This must be approved by the Audit Committee, on behalf of the Council, then signed by the Chair of the Audit Committee and the Executive Director (Finance and Public Protection) before the audit opinion can be given.

Conclusion

2.1 The 2015/16 Statement of Accounts has been audited. The External Auditor expects to issue an audit opinion in October.

Consultation

a) Policy Proofing Actions Required

n/a

Appendices

These are listed below and attached at the back of the report	
Appendix A	External Audit Report 2015/16
Appendix B	Lincolnshire County Council Letter of Representation 2015/16

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 Claire Machej, who can be contacted on 01522 553663 or claire.machej@lincolnshire.gov.uk.

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