



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

Report to:	Audit Committee
Date:	19 March 2021
Subject:	External Audit Strategy – Lincolnshire County Council 2020/21

Summary:

Our external auditors, Mazars LLP, present their 2020/21 audit strategy memorandum for Lincolnshire County Council. This covering report briefly summarises the content of this strategy.

Recommendation(s):

The Executive Director - Resources recommends that the Audit Committee considers the external audit strategy and identifies any further information or actions that may be required.

1. Background

1.1 Our external auditors, Mazars LLP, have prepared a strategy setting out their approach to this year's audit work on Lincolnshire County Council's main accounts. The purpose of this strategy is to summarise for this Committee the audit approach, the significant audit risks and areas of key judgements and details of the audit team, of which some members are new this year.

1.2 The strategy includes the following main themes:

- An overview of the audit and its elements;
- The audit engagement team;
- The audit scope, approach and timeline;
- Significant risks and areas of key judgements for this year;
- Value for money;
- Audit fees;
- Auditor independence;
- Materiality;
- Communications with the Audit Committee.

1.3 A new risk area is introduced, which relates to covid grants, and arises from the significant sums of grant income allocated to councils over the past year.

The auditors will be testing that our accounting treatment of covid grants is correct.

1.4 The Value for Money section refers to the new audit code of practice governing the reporting of value for money findings from 2020/21 onwards. The strategy outlines how Mazars intend to carry out their work in this area, to take account of the amended requirements.

1.5 The external auditors welcome the opportunity to interact with Members of the Audit Committee and will be presenting their report at the meeting.

2. Conclusion

2.1 The Audit Strategy Memorandum provides detail on how the external auditors plan to conduct this year's audit work. The progress report gives assurance about the progress and delivery of the external audit plan, and assurance that risks to the successful production of the accounts and delivery of the audit are being managed, particularly in the current pandemic environment.

3. Consultation

a) 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 (LCC) Audit Strategy Memorandum 2020/21

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 .