

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

Report to:	<b>Audit Committee</b>
Date:	<b>27 September 2021</b>
Subject:	<b>Update on Progress of External Audit of Accounts 2020/21</b>

**Summary:**

The Council's draft Statement of Accounts 2020/21 presented to the Audit Committee on 12 July is currently being audited by the Council's external auditor, Mazars. The audit is ongoing and this report describes the progress Mazars have made both on the County Council audit and Pension Fund audit.

Mazars will be in attendance at the meeting to present their reports and answer questions on them.

A progress report on the County Council audit 20/21 is attached to this report as Appendix A.

A progress report on the Pension Fund audit 2020/21 is attached to this report as Appendix B.

**Actions Required:**

Members of the Audit Committee are asked to comment on the progress made on both audits.

**1. Background.**

1.1 A progress report on the County Council audit, provided by Mazars, is attached at Appendix A. The key points to note are described below:

- No material adjustments identified to date;
- No material internal control recommendations identified to date;
- A small number of minor changes have been identified and made to the Accounts.

1.2 A progress report on the Pension Fund audit, provided by Mazars, is attached at Appendix B. The key points to note are described below:

- The review of management override of controls has not highlighted any issues to bring to the Committee's attention;
- Valuation of investments within level 3 of the fair value hierarchy: the accounts presented to the Audit Committee in July included all 31 March asset valuation information received by the Fund to the end of June. Pension Fund Officers have proactively tracked updated asset information over the summer and have adjusted the financial statements to include these valuations. There are still a number of 31 March valuations due from investment managers. When these are received they will be reviewed, and if considered material, incorporated into the final version of the accounts. Details of this are set out in section 4 and 6 of the Pension Fund Progress Report;
- No material internal control recommendations have been identified to date; and
- A small number of minor disclosure amendments have been identified and made to the Accounts.

1.3 Colleagues from Mazars will be in attendance to present both progress reports and answer questions on them.

1.4 The progress of the external audit process has highlighted a number of minor changes that are required to the Council's Statement of Accounts 2020/21. These have been made and are reflected in the Updated Statement of Accounts 2020/21 agenda item also reported to this committee.

## 2. Conclusion

2.1 The audit process is currently going well with no major issues highlighted as yet.

## 3. Consultation

### d) Risks and Impact Analysis

N/A

## 4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Mazars Progress Report on Lincolnshire County Council Audit 2020/21
Appendix B	Mazars Progress Report on Pension Fund Audit 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.

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