



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

Report to:	<b>Audit Committee</b>
Date:	<b>13 June 2022</b>
Subject:	<b>International Audit Standard - Response to Management Processes Questions</b>

**Summary:**

This report provides the Committee with an assessment around whether the Council and Pension Fund financial statements may be mis-stated due to fraud or error.

**Recommendation(s):**

To consider if the assessment accurately reflects the Council's management processes to minimise the risk of fraud or error in the County Council and Pension Fund financial statements.

**Background**

Each year the External Auditors are required to obtain an understanding of the Council's management processes in a number of areas. The International Auditing Standards specify the areas concerned – with the aim to support risk assessment around fraud, error or a material mis-statements in the County Council and Pension Fund financial statements. This report sets out the management responses to those questions.

Note: A material mis-statement for the Authority's accounts in 2021/22 is £23.5m for the Council and £29.3m for the Pension Fund.

**Conclusion**

Given the above information the Council and Pension Fund is assessed as **low risk** that the financial statements may be materially mis-stated due to fraud or error.

**Consultation**

**a) Risks and Impact Analysis**

N/A

## Appendices

These are listed below and attached at the back of the report	
Appendix A	Responses to fraud and error questions from External Audit - LCC
Appendix B	Responses to fraud and error questions from External Audit - Pension Fund

## 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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