



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

Report to:	Audit Committee
Date:	14 November 2022
Subject:	External Auditor's Annual Report and Audit Completion Reports 2021/22

Summary:

The external audit of the Council's accounts by Mazars is nearing its conclusion.

The Pension Fund audit is largely complete, with some auditor checks and review processes in progress. The auditor has provided an Audit Completion Report for Lincolnshire Pension Fund, attached as Appendix A.

The Lincolnshire County Council audit is not yet complete, and the auditor has provided a Current Audit Findings Report for Lincolnshire County Council, attached as Appendix B. A Value for Money Progress Report is attached as Appendix C.

An Audit Completion Report for Lincolnshire County Council, including a final Value for Money report and commentary, and the Auditors Annual Report will be provided at the conclusion of the audit. This report should be seen in the context of the Statements of Accounts 2021/22 - Lincolnshire County Council & Pension Fund report, which is on the agenda for this meeting, and explains the delay in finalising the accounts and completing the audit.

Mazars representatives will be at the meeting to present these reports. This covering report explains the broad content of the appended reports.

Recommendation:

It is recommended that the Audit Committee considers the Audit Completion Report and the Current Audit Findings Report and identifies any further information or actions that may be required.

Background

- 1.1 The Audit Completion Report for Lincolnshire Pension Fund and the Current Audit Findings Report for Lincolnshire County Council provide updates on the findings of our external auditor arising from their audit work this year. Mazars representatives will be at this meeting to present their findings, allowing members of the Committee to ask questions and make comments following the presentation.
- 1.2 The audit of Lincolnshire County Council's accounts is not yet complete and cannot be concluded until the current Infrastructure Assets accounting and reporting issue is resolved. This matter is explained in the Statements of Accounts 2021/22 - Lincolnshire County Council & Pension Fund report, which is also on the agenda for this meeting. When the audit is concluded, the external auditor will provide an Audit Completion Report for Lincolnshire County Council, including a Value for Money report and commentary, and an Auditor's Annual Report. These will be shared with members of this committee in due course.
- 1.3 The Audit Completion Report 2021/22 for Lincolnshire Pension Fund (Appendix A) concludes that there are no significant control deficiencies and no unadjusted misstatements to be reported to the Audit Committee. An unqualified audit opinion is expected to be issued and the timing of this will be alongside the audit opinion on the Lincolnshire County Council accounts. The Summary of Misstatements section includes reference to the valuation updates for unquoted assets which have been adjusted for in the accounts by Officers.
- 1.4 The Current Audit Findings Report for Lincolnshire County Council (Appendix B) sets out the areas of the audit which are still in progress in section 1. There are two new medium priority internal control recommendations shown in section 3, and management responses will be provided for these in due course. The Summary of Misstatements section shows one unadjusted misstatement so far, the value of which is £132k (extrapolated to £811k). There is also one adjusted misstatement, which is the adjustment to the Pension Liability (net value £10,216k) following the receipt of a revised actuarial report which reflected the updated unquoted asset valuations referred to in paragraph 1.3.
- 1.5 The Value for Money Progress Report (Appendix C) includes a summary of findings to date on page 4, which indicates that no significant issues have been identified at this time.

Conclusion

- 2.2 The audit has not yet concluded for Lincolnshire County Council, which means that further changes may be required to the accounts, and final reports will need to be issued by Mazars. Any further changes will be notified to the Chairman of the Audit Committee and, if these are significant, they will be reported to a future meeting of the Committee. Once we are advised by Mazars that the audit opinions are almost ready to be issued, we will arrange for the management representation letters to be signed by the Executive Director of Resources.

Consultation

a) Have Risks and Impact Analysis been carried out?

No.

Appendices

These are listed below and attached at the back of the report	
Appendix A	Audit Completion Report Lincolnshire Pension Fund 2021/22
Appendix B	Current Audit Findings Report Lincolnshire County Council 2021/22
Appendix C	Value for Money Progress Report 2021/22

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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