

<b>SUBJECT:</b>	<b>EXTERNAL AUDIT – ANNUAL AUDIT LETTER</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>JACLYN GIBSON, CHIEF FINANCE OFFICER</b>

## 1. Purpose of Report

- 1.1 To receive and comment on the Annual Audit Letter for 2019/20, attached as Appendix A.

## 2. Executive Summary

- 2.1 The Annual Audit Letter summarises the outcome of the 2019/20 external audit of City of Lincoln Council.
- 2.2 The letter is addressed to Members, however it is also intended to communicate the key messages to external stakeholders, including members of the public and will be placed on the Council's website.
- 2.3 The annual audit itself covers the Statement of Accounts for 2019/20, the Value for Money (VFM) conclusion and other reporting responsibilities
- 2.4 The report will be presented at the meeting by the Council's External Auditors, Mazars.

## 3. Strategic Priorities

- 3.1 There are no direct implications for the Council's strategic priorities. The external audit of the Council's financial statements is a statutory requirement and as such contributes towards the fitness for purpose of the Council's governance arrangements.

## 4. Organisational Impacts

- 4.1 Finance (including whole life costs where applicable)

The fee for 2019/20 was £36,332 (£36,332 in 2018/19), in addition Mazars have applied a fee variation to cover additional work required for; extended auditor reporting and requirements as a result of the Council being designated as a EU Public Interest Entity; additional testing on property, plant and equipment and defined benefit pension schemes; and further additional costs relating to 2019/20. These additional fees are estimated to be £17,099 (£6,750 in 2018/19), bringing the total fee for 2019/20 to £53,431.

- 4.2 Legal Implications including Procurement Rules

There are no direct legal implications. The External Auditor is required to satisfy

themselves that the Council's accounts comply with statutory requirements and that proper practices have been observed in compiling them.

#### 4.3 Equality, Diversity and Human Rights

There are no equality, diversity or human rights implications arising as a direct result of this report.

### 5. Risk Implications

5.1 There are no specific risk implications arising as a direct result of this report. The Annual Audit report sets out the key risks, as identified by the External Auditor, relevant to the audit of the financial statements, the work that was carried out on those risks and their conclusions.

### 6. Recommendation

6.1 The Audit Committee are asked to note and comment on the attached Annual Audit Letter.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** No

**How many appendices does the report contain?** One

**List of Background Papers:** None

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