

SUBJECT:	EXTERNAL AUDIT – ANNUAL AUDITOR’S REPORT 2020/21
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To receive and comment on the Annual Auditor’s Letter for 2020/21, attached as Appendix A.

2. Executive Summary

- 2.1 The Annual Auditor’s Report summarises the outcome of the 2020/21 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 2020/21, 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 2020/21 was £36,332 (£36,332 in 2019/20), 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; additional testing as a result of new auditing standards, additional testing for Covid19 grant income and additional work as a result of the new Code of Audit Practice and VFM reporting. These additional fees are estimated to be £25,660 (£17,099 in 2019/120), bringing the total fee for 2019/20 to £61,992.

- 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

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

There are no specific equality, diversity and human rights issues arising as 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 Auditor's 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 Auditor's Report.

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

Lead Officer: Jaclyn Gibson, Chief Finance Officer
Telephone (01522) 873258