Agenda Item No.

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JOINT INDEPENDENT AUDIT COMMITTEE
4 OCTOBER 2023

SUBJECT	**EXTERNAL AUDIT - AUDIT RESULTS REPORT 2020/21**
REPORT BY	**CHIEF FINANCE OFFICER** **AND DIRECTOR OF FINANCE & CORPORATE SERVICES**
CONTACT OFFICER	**JULIE FLINT, CHIEF FINANCE OFFICER** **TEL: 01522 947222** **SHARON CLARK, DIRECTOR OF FINANCE & CORPORATE SERVICES** **TEL: 01522 947468**
SUMMARY AND PURPOSE OF REPORT To receive the report to those Charged with Governance (ISA 260) including Value for Money Conclusions 2020/21 (the "Audit Results Report 2020/21" for the Police and Crime Commissioner and Chief Constable).	
RECOMMENDATIONS	**That the Audit Results Report 2020/21 at Appendix A be noted.**

A. SUPPORTING INFORMATION

1. Members will be aware that Ernst & Young (EY) was appointed as the External Auditors for the Police and Crime Commissioner and the Chief Constable with effect from 2018/19 for a five year period until 2022/23.

2. The Audit Results Report is attached at Appendix A, which summarises the key findings from the 2020/21 audit of the Police and Crime Commissioner for Lincolnshire and Chief Constable for Lincolnshire.

3. Mark Hodgson, Partner at EY will be in attendance to present the report.

B. FINANCIAL CONSIDERATIONS

The Executive Summary includes a number of unadjusted audit differences on Page 7 of the report. Our comments in response to these are shown below.

- Property, Plant and Equipment Valuations – these have not been adjusted in the 2020/21 financial statements as the net impact of these adjustments is not considered to be material. The difference will be addressed in the 2021/22 financial statements.

- Special Grant income – we do not agree that this should be recognised in the 2020/21 financial statements and has therefore not been adjusted for. This relates to a Special Grant claim in 2019/20, in which an item of expenditure included in the

claim was subsequently refunded. However, as this related to an ongoing operation for which later claims were subsequently submitted, the amount overclaimed was retained on the Balance Sheet to offset against future expenditure. This approach and the amount to be retained was finally agreed by the Home Office in May 2023, therefore the income will be recognised in the 2023/24 financial statements.

- Disclosure differences – the report refers to the absence of a Going Concern disclosure note in the financial statements. Given that the accounts were prepared by the end of May 2021 and the audit did not commence until 2023, this disclosure note was not included initially as it would have required significant updating before audit completion. Once the audit was nearing conclusion, the Going Concern note was finalised and included in the revised financial statements.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

The statutory responsibilities and powers of the External Auditor are set out in the Audit Commission Act 1998, the Local Government Act 1999 and the Audit Commission's Code of Audit Practice.

D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES

(including any impact or issues relating to Children and Young People.)

None.

E. REVIEW ARRANGEMENTS

None planned.

F. RISK MANAGEMENT

Receiving regular audit reports helps reduce risk to the Police and Crime Commissioner and Chief Constable.

G. PUBLIC ACCESS TO INFORMATION

Information in this report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.