

Audit and Accounts Committee Members  
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11 November 2020

Dear Audit and Accounts Committee Members

**Audit Completion Report – follow-up letter**

Following on from our recent meeting and as required by International Standards on Auditing (UK and Ireland), I am writing to communicate the conclusion of those matters that were marked as outstanding within the Audit completion report dated 4 September 2020.

The outstanding matters and the conclusions reached are detailed below:

<b>Audit area</b>	<b>Status</b>	<b>Description of outstanding matters</b>
Property, plant and equipment	Complete	We have received the residual audit evidence and our work is complete, with no matters to report.
Investments	Complete	We have received the residual audit evidence and our work is complete, with no matters to report.
Loans	Complete	We have received the residual audit evidence and our work is complete, with no matters to report.
Pensions	Ongoing	Part of our assurance over the net pensions liability is derived from specified procedures commissioned from the external auditors of the Nottinghamshire Pension Fund. We are yet to receive their final report over the procedures we are seeking assurance over for our consideration.

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We expect that there will be ‘material valuation uncertainty’ disclosed on the Pension Fund’s holding of property assets, which will need to be disclosed in the Council’s financial statements because the Council’s share in those assets as recorded on the balance sheet is material. This will lead to the ‘emphasis of matters’ paragraph in our Audit Report extending to cover those pension assets as described below:

***Emphasis of Matter –Effect of the Covid-19 pandemic on the valuation of land, buildings and investment properties***

*We draw attention to Note X of the financial statements, which describes the effects of the Covid-19 pandemic on the valuation of the Council’s land, buildings and investment properties and the valuation of the Council’s share of Nottinghamshire Pension Fund’s property assets. As disclosed in Note X of the financial statements, the Council’s and Pension Fund’s valuers included a ‘material valuation uncertainty’ declaration within their reports as a result of the Covid-19 pandemic creating a shortage of relevant market evidence on which to base their judgements. Our opinion is not modified in respect of this matter.*

However, we cannot conclude on the full extent of this matter until we receive the pension fund assurance letter.

Any modification to our Audit Report must undergo a consultation process, which cannot commence until we have the audit evidence we require. We are therefore uncertain whether we will be able to issue our Audit Report prior to 30 November.

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If you wish to discuss these or any other points discussed at the meeting then please do not hesitate to contact me.

Yours sincerely



**David Hoose**  
Mazars LLP