

Report to: **Cabinet**

Date: **13 December 2016**

By: **Chief Operating Officer**

Title of report: **Annual Audit Letter and fee update 2015/16**

Purpose of report: **To seek Cabinet's approval of the Annual Audit Letter and fee update for 2015/16.**

RECOMMENDATION – The Cabinet is recommended to approve the Annual Audit Letter and the fee update for 2015/16.

1. Background

1.1 The external audit fees for 2015/16 was £110,175 (County Council of £83,572 and the Pension Fund of £26,603) for the core audit in line with the planned fee. The auditors charged £3,713 for the provision of tax advisory services during 2015/16. The costs of these additional services were funded from existing budgets.

1.2 KPMG also performs additional audit-related services for the certification of the Teachers Pension Authority return which is outside of Public Sector Audit Appointment's certification regime. This certification work is still ongoing, and the final fee will be confirmed at the end of the audit.

2. Supporting Information

2.1 The Annual Audit Letter (AAL) attached as Appendix A summarises the key issues arising from the work carried out by the Council's external auditor (KPMG) during the year. This report contains no new findings or recommendations, but reflects the key issues already reported in the Annual Governance Report.

2.2 KPMG previously issued an unqualified opinion on the Authority's financial statements on 21 July 2016. This means that KPMG believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year. The financial statements also include those of the pension fund.

2.3 The AAL has been circulated to all Councillors and published on the Council's website. The AAL was presented to the Audit, Best Value & Community Services Scrutiny Committee on 8 November 2016 and any comments from the Committee will be provided to the Cabinet orally at its meeting on 13 December 2016.

2.4 The Council would like to extend its thanks to KPMG for their professionalism during this audit.

3. Conclusion and reasons for recommendations

3.1 The Cabinet is recommended to approve the Annual Audit Letter and the fee update for 2015/16.

KEVIN FOSTER
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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

1. Independent Auditor's (KPMG) Annual Governance Report on ESCC Accounts and Value for Money conclusion report
2. Independent Auditor's (KPMG) Annual Governance Report on Pension Fund Accounts