

Report to: **Cabinet**

Date: **6 June 2017**

By: **Chief Operating Officer**

Title of report: **External Audit Plan 2016/17**

Purpose of report: **To inform the Cabinet of the content of the Council's External Audit plan for 2016/17**

RECOMMENDATIONS

The Cabinet is recommended to approve the External Audit Plan for 2016/17.

1. Background

1.1 The Plan confirms the 2016/17 core external audit fee as £83,572. This is unchanged from the 2015/16 fee. The fee is based on a number of assumptions, including the Council providing the auditors with complete and materially accurate financial statements, with good quality supporting working papers, within agreed timeframes.

2. Supporting Information

2.1 The attached East Sussex County Council (ESCC) external audit plan (Appendix 1) sets out in more detail the work the external auditors will conduct in order to audit the Council's 2016/17 accounts. The Plan reflects relevant issues that have arisen as a result of the 2015/16 account audit and other work carried out by KPMG e.g. the Value for Money assessment.

2.2 KPMG initial risk assessment has not identified any significant risks that are specific to the Council. Areas of audit focus either due to their size, level of judgement or their influence on other balances within the financial statements are:

- Significant changes in the pension liability due to LGPS Triennial Valuation;
- Minimum Revenue Provision; and
- Accounting for Local Authority Maintained Schools.

2.3 The Council has recently been advised by KPMG of changes to the audit team, which will now be led by Joanne Lees (replacing Philip Johnstone) as the external audit lead. This is due to redeployment and officers are in discussion with the KPMG to manage any transition.

3. Conclusion and reasons for recommendations

3.1 KPMG overall audit approach remains similar to last year with no fundamental changes. Officers will continue to liaise with KPMG to ensure that their work is delivered as efficiently and effectively as possible and that internal and external audit plans are complementary and make best use of audit resources. The Plan was considered by Audit, Best Value and Community Services Scrutiny Committee at its meeting on 14 March 2017.

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Background Documents
None