

Report to: **Cabinet**

Date: **12 December 2017**

By: **Chief Operating Officer**

Title of report: **Annual Audit Letter and fee update 2016/17**

Purpose of report: **To seek Cabinet's approval of the Annual Audit Letter and fee update for 2016/17.**

RECOMMENDATION – The Cabinet is recommended to approve the Annual Audit Letter and the fee update for 2016/17.

1. Background

1.1 The external audit fees for 2016/17 was £110,179 (County Council of £83,572 and the Pension Fund of £26,607) for the core audit in line with the planned fee. The grant certification work is still ongoing; the final fee will be confirmed on the outcome of that work in November 2017. The costs of these additional services will be 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 it is expected that KPMG will charge £4,000 for additional audit-related services for the certification.

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, including the objection from local elector, which is currently being considered.

2.2 KPMG previously issued an unqualified opinion on the Council's financial statements on 18 July 2017. This means that KPMG believe the financial statements give a true and fair view of the financial position of the Council 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 29 November 2017 for consideration.

2.4 The Council would like to extend its thanks to KPMG for their professionalism during the 2016/17 final audit.

3. Conclusion and reasons for recommendations

3.1 The Cabinet is recommended to approve the Annual Audit Letter and the fee update for 2016/17.

KEVIN FOSTER
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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

1. 2016/17 Independent Auditor's (KPMG) Annual Governance Report on ESCC Accounts and Value for Money conclusion report
2. 2016/17 Independent Auditor's (KPMG) Annual Governance Report on Pension Fund Accounts