



# Annual Audit Letter 2016/17

**East Sussex County Council**

—

October 2017



# Contents

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**Page**

## Report sections

— Headlines 3

## Appendices

1. Summary of reports issues 4

2. Audit fees 5

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External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

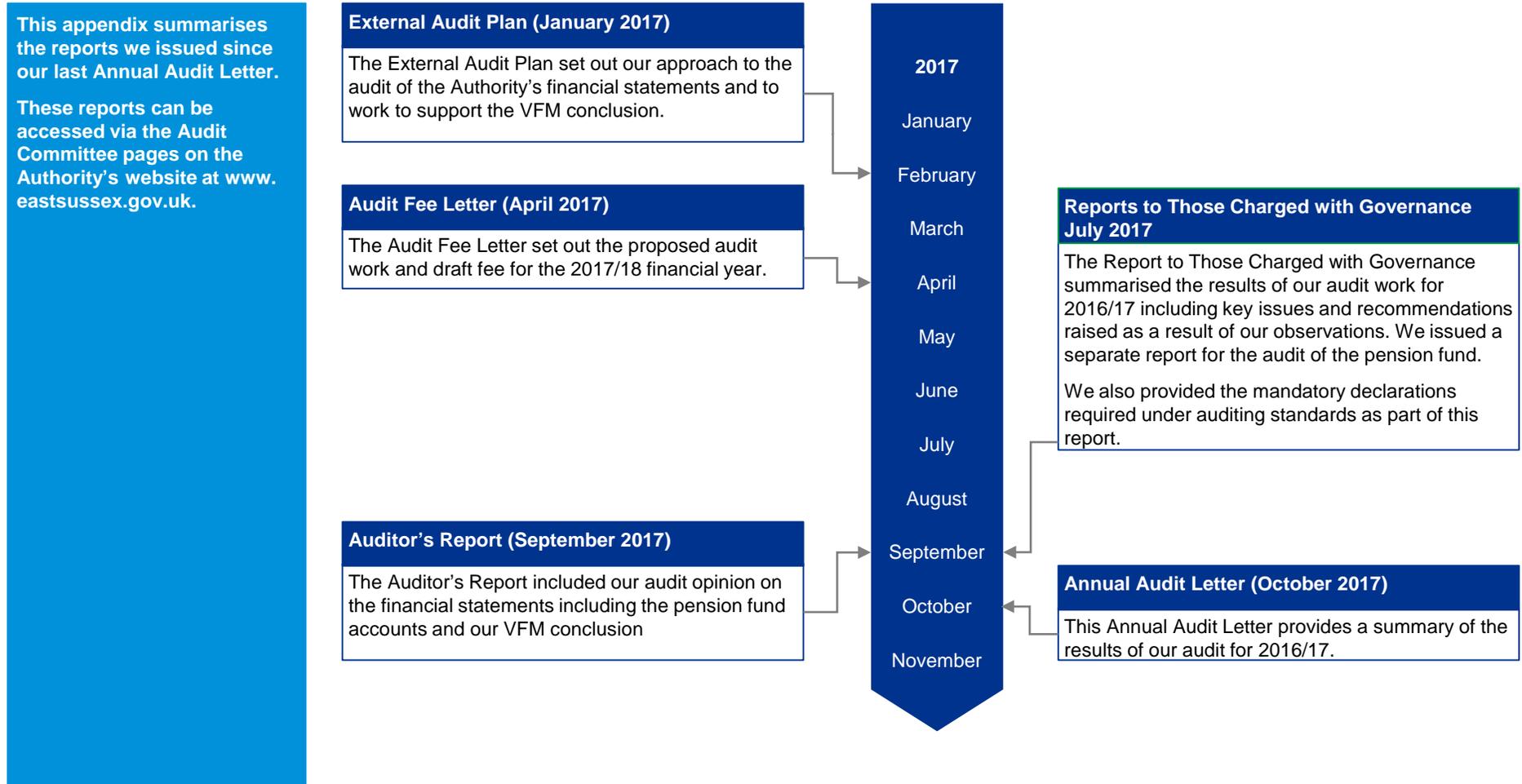
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This Annual Audit Letter summarises the outcome from our audit work at East Sussex County Council in relation to the 2016/17 audit year.

Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.

<b>VFM conclusion</b>	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2016/17 on 29 September 2017. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.</p> <p>To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.</p>
<b>VFM risk areas</b>	<p>We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.</p> <p>Our work did not identify any significant matters.</p>
<b>Audit opinion</b>	<p>We issued an unqualified opinion on the Authority's financial statements on 29 September 2017. This means that we 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.</p>
<b>Financial statements audit</b>	<p>Overall the Council prepared a quality set of accounts well ahead of required deadlines on a basis in accordance with the Department of Communities and Local Government (DCLG). We did not identify recommendation to ESCC's control environment or uncorrected audit adjustments during the course of our audit. We did identify one audit adjustment that the council correct during the year.</p>
<b>Other information accompanying the financial statements</b>	<p>Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding and did not identify any issues.</p>
<b>Pension fund audit</b>	<p>There were no significant issues arising from our audit of the pension fund and we issued an unqualified opinion on the pension fund financial statements as part of our audit report.</p>
<b>Whole of Government Accounts</b>	<p>We reviewed the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the Authority's pack was consistent with the audited financial statements.</p>
<b>Certificate</b>	<p>We have not yet issued the certificate which confirms that we have concluded the audit for 2016/17 in accordance with the requirements of the Local Audit &amp; Accountability Act 2014 and the Code of Audit Practice. This is because there is an objection outstanding which is currently being considered. This means that we are not yet able to issue our certificate.</p>
<b>Audit fee</b>	<p>Our fee for 2016/17 was £110,179 excluding VAT. Further detail is contained in Appendix 2.</p>

# Appendix 1: Summary of reports issued



# Appendix 2: Audit fees

This appendix provides information on our final fees for the 2016/17 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2016/17 planned audit fee.

### External audit

Our final fee for the 2016/17 audit of the Authority was £83,572, which is in line with the planned fee.

Our final fee for the 2016/17 audit of the Pension Fund was in line with the planned fee of £26,607.

### Certification of grants and returns

The grant certification work is still ongoing, the final fee will be confirmed through our reporting on the outcome of that work in November 2017.

### Other services

We will charge £4,000 for additional audit-related services for the certification of the Teachers Pension which is outside of Public Sector Audit Appointment's certification regime This work has not yet commenced.



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