

Report to: **Audit, Best Value and Community Services Scrutiny Committee**

Date: **17 March 2015**

By: **Chief Operating Officer**

Title of report: **External Audit Plan 2014/15**

Purpose of report: **To inform the Committee of the content of the Council's external audit plan for 2014/15**

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## **RECOMMENDATIONS**

**The Committee is recommended to consider and comment upon the External Audit Plan for 2014/15.**

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### **1. Background**

- 1.1 The Plan confirms the 2014/15 core external audit fee as £111,429. This is unchanged from the 2013/14 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)'s external audit plan sets out in more detail the work the external auditors will conduct in order to audit the Council's 2014/15 accounts. The Plan now reflects any relevant issues that have arisen as a result of the audit of the 2013/14 account 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:
- Accounting for Local Authority Maintained Schools;
  - Fraud risk from management override of controls;
  - Fraud risk over revenue recognition.

### **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 will be reported to Cabinet for approval on 21 April 2015.

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Local Member(s): All  
Background Documents  
None