

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

Date: **17 July 2015**

By: **Chief Operating Officer**

Title of report: **Review of Annual Governance Reports and Statement of Accounts for 2014-15**

Purpose of report: **For the Committee to review the Independent Auditor's (KPMG) reports to those charged with governance prior to its submission to the Governance Committee on 21 July 2015.**

RECOMMENDATIONS: The Committee is asked to:

- 1) note the reports and its appendices; and**
- 2) identify any concerns arising from the Independent Auditor's (KPMG) Report or the management response to it, that need to be brought to the attention of the Governance Committee**

1. Background

1.1 This report summarises the key findings arising from KPMG final audit work in relation to the Council's 2014/15 financial statements; and on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources ('VFM conclusion').

2. Supporting Information

2.1 Under its terms of reference, it is the role of this Committee to "Review the annual statement of accounts and the external auditor's report to those charged with governance."

2.2 It is the role of the Governance Committee to approve the County Council Annual Governance Report and the Statement of Accounts, having considered whether appropriate accounting policies have been followed and any issues raised by the

2.3 The Independent Auditor's (KPMG) report to those charged with governance and the Council's Statement of Accounts for 2014/15, along with the covering report under which they will be taken to Governance Committee for approval on 21 July 2015 are attached.

2.4 The final audit of the 2014/15 Statement of Accounts by our independent auditor (KPMG) has now been completed, and I am pleased to be able to report that the auditors will be issuing an unqualified "true and fair" audit opinion and that the audit itself has not revealed any material items that need to be reported.

2.5 The Council has made an amendment to the financial statements due to insufficient evidence to confirm the ownership of 22 Voluntary Controlled (i.e., Diocese of Chichester) schools, and the fixed assets revaluation process has been considered as an area for improvement.

2.6 As in any year, a number of presentational adjustments arising from normal audit work have been noted, discussed, and resolved as stated on page 5 to 7 of the report to those charged with governance, and the Auditor has made a recommendation, which have been discussed and responses included in the action plan where appropriate.

2.7 The Auditor's (KPMG) has carried out the review of the arrangements made by the Council to secure economy, efficiency and effectiveness in the use of resources (value for money), and the auditors (KPMG) subject to the conclusion of the previous year elector objections findings, did not feel it necessary to report on any particular points on value for money issues

3. Conclusion and reasons for recommendations

3.1 In carrying out their responsibility for review, Members should consider:

- The findings made by the external auditors as a result of their audit of the 2014/15 accounts;
- Whether the management response to those findings is appropriate;
- Whether there are any issues arising that Member might wish to bring to the attention of the Governance Committee when it meets to approve the Annual Governance report and Statement of Accounts for 2014/15 on 21 July 2015.

KEVIN FOSTER
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Local Member(s): All

Background Documents

1. The Independent Auditor's (KPMG) report
2. Governance Committee report for approval on 21 July 2015
3. 2014/15 Statement of Accounts.