

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

Date: **15 July 2016**

By: **Chief Operating Officer**

Title of report: **Review of the KPMG report to those charged with governance and Statement of Accounts for 2015-16**

Purpose of report: **For the Committee to review the Independent Auditor's (KPMG) report to those charged with governance prior to its submission to the Governance Committee on 19 July 2016.**

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**RECOMMENDATIONS: The Committee is asked to:**

- (i) note the report and its appendices; and**
  - (ii) 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.**
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**1. Background**

1.1 This report summarises the key findings arising from the Independent Auditor's (KPMG) final audit work in relation to the Council's 2015/16 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 Statement of Accounts having considered whether appropriate accounting policies have been followed and any issues raised by the external auditor from the audit of the accounts.

2.3 The Independent Auditor's (KPMG) report to those charged with governance and the Council's Statement of Accounts for 2015/16, along with the covering report under which they will be taken to the Governance Committee for approval on 19 July 2016 are attached as Appendix 1.

2.4 The final audit of the 2015/16 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.

2.5 As in any year, a few presentational adjustments arising from normal audit work have been noted, discussed, and resolved as stated on page 13 of the report to those charged with governance, and KPMG have not identified any control findings or recommendations in the course of 2015/16 audit that need to be reported to this committee.

2.6 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, 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 2015/16 accounts;
- 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 Statement of Accounts for 2015/16 on 19 July 2016.

**KEVIN FOSTER**  
**Chief Operating Officer**

Contact Officer: Ola Owolabi, Head of Accounts and Pensions  
Tel. No. 01273 482017  
Email: [Ola.Owolabi@eastsussex.gov.uk](mailto:Ola.Owolabi@eastsussex.gov.uk)

Local Member(s): All

#### Background Documents

1. Governance Committee report for approval on 19 July 2016