

## **CORPORATE GOVERNANCE COMMITTEE – 19 FEBRUARY 2016**

### **REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

#### **EXTERNAL AUDIT PLAN 2015/16**

##### **Purpose**

1. To present the external Audit Plan for 2015/16 for consideration.

##### **Background**

2. An update on progress on the preparation of the Audit Plan for 2015/16 was given to the Corporate Governance Committee at its last meeting on 17<sup>th</sup> November 2015.

##### **Audit Plan 2015/16**

3. The Audit Plan for 2015/16 is included in the Appendix attached to this report. Daniel Hayward from the County Council's external auditors, KPMG, will attend the meeting in order to present the Audit Plan and answer any questions.
4. Overall materiality for the audit opinion is £8.5m. This is reported on page 1 of the Appendix and is set at 1% of gross expenditure per the 2014/15 Statement of Accounts.
5. The Appendix, on page 1, also explains that auditing standards requires the Auditor to report all misstatements in the accounts unless they are 'clearly trivial', i.e. those that do not have a material effect on the financial statements. Auditing standards suggest a reporting level of £425,000 for the Authority. The Corporate Governance Committee has previously agreed a £100,000 limit. It is recommended that this working limit is retained as the financial statements are reported to the nearest £100,000.

##### **Recommendation**

6. The Committee is asked to note the update provided by KPMG.
7. The Committee is recommended to retain a reporting limit for 'trivial' misstatements of £100,000.

##### **Equality and Human Rights Implications**

8. None.

## **Circulation Under the Local Issues Alert Procedure**

9. None.

## **Background Papers**

Corporate Governance Committee 17th November 2015; Presentation by KPMG

## **Officers to Contact**

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## **Appendix**

External Audit Plan 2015/16