

## Summary Sheet

### Council Report Audit Committee

#### Title

KPMG External Audit Plan 2017/18

#### Is this a Key Decision and has it been included on the Forward Plan?

No.

#### Strategic Director Approving Submission of the Report

Judith Badger – Strategic Director of Finance & Customer Services

#### Report Author(s)

Sarah Sweeney (Principal Finance Officer)  
Finance & Customer Services Directorate  
01709 254510 [sarah.sweeney@rotherham.gov.uk](mailto:sarah.sweeney@rotherham.gov.uk)

#### Ward(s) Affected

All

## Executive Summary

The Council's external auditor, KPMG, in their External Audit Plan sets out the proposed external audit work to be undertaken to form an opinion on the Council's financial statements and to conclude on whether the Council has arrangements in place to secure value for money in the use of its resources.

The plan outlines the areas KPMG have determined to be significant risks the financial statements and Value for Money, these will be areas of audit focus.

## Recommendation

**The Audit Committee is asked to note KPMG's audit plan 2017/18**

#### List of Appendices Included

KPMG Audit Plan 2017/18

#### Background Papers

Audit Appointment Letter 2017/18  
Local Audit and Accountability Act 2014

National Audit Office – Code of Audit Practice

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**  
No

**Council Approval Required**  
No

**Exempt from the Press and Public**  
No

## **KPMG External Audit Plan 2017/18**

### **1. Recommendation**

**The Audit Committee is asked to KPMG's audit plan for 2017/18**

### **2. Background**

2.1 KPMG's statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice.

The audit has two key objectives, requiring KPMG to audit/review and report on the Council's:

- financial statements (including the Annual Governance Statement): providing an opinion on the accounts; and
- use of resources: concluding on the arrangements in place for securing economy, efficiency and effectiveness in the Council's use of resources (the value for money conclusion).

### **3. Key Issues**

3.1 KPMG's Annual Plan outlines the audit approach and in particular the key risks to the financial statements and Value for Money opinions and how they plan to cover these within the audit.

3.2 KPMG have identified the significant risks and areas of focus below. A brief description of each risk is provided on pages 6 to 8 (financial statements) and page 15 (value for money) of the Planning Document:

- Valuation of Property, Plant & Equipment
- Pension Liabilities
- Faster Close
- Financial Sustainability
- Delivery of Childrens' Services Improvement Plan

### **4. Options considered and recommended proposal**

4.1 Consideration of alternative options was not required.

### **5. Consultation**

5.1 No consultation is required in respect of this report.

## **6. Timetable and Accountability for Implementing this Decision**

6.1 No decision which will require implementation is anticipated from this report.

## **7. Financial and Procurement Implications**

7.1 A proposed fee of £140,828 has been set for 2017/18, compared to £144,028 for 2016/17. The fee for 2017/18 is governed by the Public Sector Audit Appointments (PSAA) company set up by the LGA as successor body to the Audit Commission, any change to the final fee will have to be agreed by the PSAA and RMBC's section 151 officer.

## **8. Legal Implications**

8.1 There are no specific Legal implications arising from the report.

## **9. Human Resources Implications**

9.1 There are no Human Resource implications arising from the report.

## **10. Implications for Children and Young People and Vulnerable Adults**

10.1 There are no implications arising from the proposals to Children and Young People and Vulnerable Adults.

## **11. Equalities and Human Rights Implications**

11.1 There are no implications arising from this report to Equalities and Human Rights.

## **12. Implications for Partners and Other Directorates**

12.1 There are no implications arising from this report to Partners or other directorates.

## **13. Risks and Mitigation**

13.1 Changes to the Plan and the fee may be necessary if significant new audit risks emerge or KPMG's expectations are not met. Should this be the case, KPMG will first discuss the reason for any change in fee with the Strategic Director of Finance and Customer Services. They will then be brought to the attention of the Audit Committee outlining the reasons for any change.

**14. Accountable Officer(s)**

Judith Badger (Strategic Director of Finance & Customer Services)

Approvals Obtained from:-

Strategic Director of Finance & Customer Services:- Judith Badger

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