

## DELOITTE – 2013/14 ANNUAL AUDIT PLAN

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### SUMMARY

The attached document sets out the initial plans for the 2013/14 audit by Deloitte. The format of the plan follows that prescribed by the Audit Commission for external audit work. The plan sets out the approach to the audit and a broad timetable which should enable the whole process to be completed by early September. A separate audit plan has been produced for the pension fund audit, which is also attached.

### RECOMMENDATIONS

**The Committee is asked to note the report.**

### REASONS FOR OFFICER RECOMMENDATIONS

The Committee needs to be made aware of the plans for the audit of the 2013/14 accounts.

### COMMENT ON THE CONTENT OF THE PLAN

**Materiality:** The expected level of materiality, calculated on the basis of gross expenditure for the full year, will be £10.3m. Based on this amount, Deloitte would expect to report on all unadjusted misstatements greater than £0.515m.

**Key Audit Risks:** The plan highlights the significant audit risks as follows:

- Recognition of grant income
- Calculation of bad debt provision against sundry debtors
- Recording of capital spend
- Management override of key controls

In addition the auditors' have a statutory duty to provide a value for money conclusion based on two main criteria. These are that the organisation has proper arrangements in place for:

- securing financial resilience; and
- for challenging how it secures economy, efficiency and effectiveness.

## COMMENT ON THE CONTENT OF THE PENSION FUND AUDIT PLAN

**Materiality:** Materiality is calculated on the basis of 1% of the net assets of the fund which for 2014 is £7.0m (2013 £7.5m). Based on this amount, Deloitte would expect to report on all unadjusted misstatements greater than £0.35m (2013 £0.35m).

**Key Audit Risks:** The plan highlights the key audit risks, these being the main areas on which specific audit work will focus. They are as follows:

- Contributions
- Benefits
- Investments
- Management override of key controls

## TIMETABLE

The main timetable remains unchanged with the deadline for draft accounts being 30 June and the audit opinion due by 30 September 2013.

## FEES

The proposed fees for the 2013/14 audit are as follows:

	<b>2013/14</b>	<b>2012/13</b>
	<b>£'000</b>	<b>£'000</b>
Main Accounts	207.1	207.1
Pension Fund Accounts	21.0	21.0
Grant Claim Certification	<u>57.6</u>	<u>90.2</u>
<b>Total Fees</b>	<b>285.7</b>	<b>318.3</b>

## LEGAL IMPLICATIONS

There are no legal implications arising from this report.

## BACKGROUND PAPERS

None