

Deloitte – 2014/15 Annual Audit Plan

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SUMMARY

The attached document sets out the initial plans for the 2014/15 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 will be produced for the pension fund audit and brought to Committee in March 2015.

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 2014/15 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 £10.1m. Deloitte plan to report on all unadjusted misstatements greater than £0.505m.

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

- Recognition of grant income
- Recording of capital spend
- Management override of key controls
- Upgrade of Oracle financial system

Deloitte have also identified a potential risk from a change in accounting for schools as guidance is still emerging in this area.

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
- challenging how it secures economy, efficiency and effectiveness.

Deloitte carry out work on behalf of the Audit Commission to certify grant claims. In 2014/15 Deloitte will audit the Housing benefits subsidy claim under the requirements of section 28 of the Audit Commission Act 1998.

TIMETABLE

The main timetable remains unchanged with the deadline for draft accounts being 30 June and the audit opinion due by 30 September 2015.

FEES

The proposed fees for the 2014/15 audit are as follows:

	2014/15	2013/14
	£'000	£'000
Main Accounts	207.1	207.1
NNDR testing	3.5	3.5
Pension Fund Accounts	21.0	21.0
Grant Claim Certification	<u>TBC</u>	<u>45.3</u>
Total Fees	TBC	276.9

LEGAL IMPLICATIONS

There are no legal implications arising from this report.

BACKGROUND PAPERS

None