

External Audit plan 2017/18

SUMMARY

- 1.1 Our External Audit Plan which sets out how we intend to carry out our responsibilities as auditor.
- 1.2 Its purpose is to provide the Audit and Accounts Committee with a basis to review our proposed audit approach and scope for the 2017/18 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.
- 1.3 It is also to ensure that our audit is aligned with the Committee's service expectations.

RECOMMENDATION

- 2.1 To approve the External Audit Plan for the 2017/18 audit.

REASONS FOR RECOMMENDATION

- 3.1 The plan summarises our initial assessment of the key risks driving the development of an effective audit for the Council, and outlines our planned audit strategy in response to those risks.

SUPPORTING INFORMATION

- 4.1 Significant risks to the financial statement audit identified as:
 - Risk of fraud in revenue and expenditure recognition
 - Misstatements due to fraud or error
 - Valuation of land and buildings
 - Move to open housing rent system in Derby Homes

4.2 Significant risks to the Value for Money conclusion identified as:

- June 2016 public interest report
- July 2017 written recommendations under s24 of the Local Audit and Accountability Act 2014
- Robustness of medium term financial planning
- Provision of internal audit services
- Results of regulatory review and commentary
- Absence of corporate risk strategy and risk register

4.3 Planning materiality has been set at £7.16m for the group.

OTHER OPTIONS CONSIDERED

5.1 Not applicable.

This report has been approved by the following officers:

Legal officer	N/A
Financial officer	Don McLure
Human Resources officer	N/A
Estates/Property officer	N/A
Service Director(s)	N/A
Other(s)	N/A

For more information contact:	Helen Henshaw hhenshaw@uk.ey.com
Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Derby City Council Audit Planning Report – Year ended

	March 2018.
--	-------------

IMPLICATIONS

Financial and Value for Money

1.1 None at this stage.

Legal

2.1 None.

Personnel

3.1 None.

IT

4.1 None.

Equalities Impact

5.1 None.

Health and Safety

6.1 None.

Environmental Sustainability

7.1 None.

Property and Asset Management

8.1 The Council's Estates Team is playing a key role in the valuation of land and buildings which is flagged as a significant risk at paragraph 4.1.

Risk Management and Safeguarding

9.1 None at this stage.

Corporate objectives and priorities for change

10.1 The Statement of Accounts for 2017/18 needs to be signed off by 31 July 2018.