



Derby City Council

**AUDIT AND ACCOUNTS COMMITTEE**  
**19 June 2018**

Report of Interim Strategic Director of Corporate  
Resources

# ITEM 9

## **Annual Audit Letter and 2016-17 Final Accounts Completion Certificate**

### **SUMMARY**

- 1.1 The external auditor is required to issue an annual audit letter to the Council following completion of audit procedures for the year ended 31 March 2017.
- 1.2 At the time that the audit report was issued (December 2017) the work in respect of the Whole of Government Accounts required to report to the National Audit Office were incomplete. EY were therefore unable to certify the 2016/17 audit complete and issue our Annual Audit Letter.
- 1.3 Whole of Government Accounts procedures have now been completed with no significant issues noted.
- 1.4 The Committee is now therefore receiving both the audit completion certificate for the 2016-17 financial year (which is required to be published on the Council's website) and the Annual Audit Letter.

### **RECOMMENDATION**

- 2.1 To approve the Annual Audit Letter.

### **REASONS FOR RECOMMENDATION**

- 3.1 Both documents are required under the National Audit Office (NAO) Code of Audit Practice.

### **SUPPORTING INFORMATION**

- 4.1 Copy of the Annual Audit Letter attached at Appendix 2.
- 4.2 Copy of the Audit Completion Certificate for 2016-17 attached at Appendix 3.

### **OTHER OPTIONS CONSIDERED**

- 5.1 Not applicable.

**This report has been approved by the following officers:**

<b>Legal officer</b>	N/A
<b>Financial officer</b>	N/A
<b>Human Resources officer</b>	N/A
<b>Service Director(s)</b>	N/A
<b>Other(s)</b>	N/A

<b>For more information contact:</b>	Helen Henshaw hhenshaw@uk.ey.com
<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 2 - Annual Audit Letter Appendix 3 - Audit Completion Certificate 2016-17

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 The cost of the audit fee for 2016/17 has increased following the approval by the Public Sector Audit Appointments service of a scale fee variation of £65,850. The additional external audit fee was made up of the following:
- Additional work required on the changed Minimum Revenue Provision (MRP) policy and subsequent changes made to the amounts recorded in the financial statements;
  - Additional work required in respect of the valuation of Property, Plant and Equipment (PPE) following issues found in the work of the Council's specialist.
  - Quantity of significant risks over VFM conclusion and implications thereof
  - Review of 3 versions of statement of accounts

**Legal**

- 2.1 None directly arising from the report

**Personnel**

- 3.1 None directly arising from the report

**IT**

- 4.1 None directly arising from the report

**Equalities Impact**

- 5.1 None directly arising from the report

**Health and Safety**

- 6.1 None directly arising from the report

**Environmental Sustainability**

- 7.1 None directly arising from the report

## **Property and Asset Management**

8.1 None directly arising from the report

## **Risk Management and Safeguarding**

9.1 None directly arising from the report

## **Corporate objectives and priorities for change**

10.1 None directly arising from the report