

Report of the External Auditor to the meeting of Governance and Audit Committee to be held on 17 April 2015.

Subject:

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Audit Strategy Memorandum 2014/15

Summary statement:

The Audit Strategy Memorandum sets out the plan for the external audit of City of Bradford Metropolitan District Council for 2014/15.

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Director
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Suzan Hemingway, City Solicitor

1. SUMMARY

The Audit Strategy Memorandum sets out our audit plan for 2014/15. The document:

- describes our approach to the audit opinion on the accounts and the value for money conclusion;
- includes our assessment of significant risks of material misstatement in the accounts and for the value for money conclusion ; and
- outlines the proposed testing strategy to address the identified risks.

We have identified significant risks of material misstatement relating to:

- management override of controls which is common to all entities subject to audit;
- revenue recognition which is also common to most entities subject to audit;
- the high degree of estimation uncertainty relating to pension liabilities; and
- accounting for schools.

This is a major audit so Mazars have appointed an independent partner to review quality.

2. BACKGROUND

International Standards on Auditing (ISAs) require external auditors to communicate with Those Charged with Governance (TCWG) on a number of matters (see Appendix C of the Audit Strategy Memorandum for full details) including significant audit risks and how the auditor proposes to address them.

3. OTHER CONSIDERATIONS

None.

4. OPTIONS

Not applicable.

5. FINANCIAL & RESOURCE APPRAISAL

Not applicable.

6. RISK MANAGEMENT AND GOVERNANCE ISSUES

None.

7. LEGAL APPRAISAL

Not applicable.

8. OTHER IMPLICATIONS

8.1 EQUALITY & DIVERSITY

Not applicable.

8.2 SUSTAINABILITY IMPLICATIONS

Not applicable.

8.3 GREENHOUSE GAS EMISSIONS IMPACTS

Not applicable.

8.4 COMMUNITY SAFETY IMPLICATIONS

Not applicable.

8.5 HUMAN RIGHTS ACT

Not applicable.

8.6 TRADE UNION

Not applicable.

8.7 WARD IMPLICATIONS

Not applicable.

9. NOT FOR PUBLICATION DOCUMENTS

None.

10. RECOMMENDATION

That the Governance and Audit Committee consider the Audit Strategy Memorandum for City of Bradford MDC for 2014/15.

11. APPENDICES

The Audit Strategy Memorandum for City of Bradford MDC is attached as a separate document.

12. BACKGROUND DOCUMENTS

None.