



East Staffordshire District Council

Interim progress report

Year ended 31 March 2024

March 2024



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Introduction

Adding value through the audit

All our clients demand of us a positive contribution to meeting their ever-changing business needs. Our aim is to add value to the Council through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way, we aim to help the Council promote improved standards of governance, better management and decision making and more effective use of resources.

Purpose

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- Details of progress made to date and whether it is on track; and
- Where progress is on track, any initial findings which may impact the final accounts audit.

Members are invited to consider the progress reported in this paper and any actions considered necessary in response.

Auditor reporting delays for previous periods and the impact on our audit

Although we are planning to complete your audit for the year ended 31 March 2024 in line with the statutory timetable, so that we can report our initial findings to your Audit Committee in late 2024. Please note that we will not be able to fully complete our audit, issue our auditor's report and certify the closure of the audit until your predecessor auditor has completed their audit for the year ended 31 March 2022 and 31 March 2023. Once the 2023 audit has been completed we will need to review the predecessor auditor's audit file to gain assurance over your opening balances as at 1 April 2023, and consider the impact on our audit of any modifications to their auditor's report.

Further, once the 2022 and 2023 audit has been completed, we will revisit our planning procedures and audit plan to assess whether any additional procedures are required over and above those we have previously identified in our audit plan. Should additional procedures or changes to the plan be required, we will report these to you. The cost of additional work to revisit planning upon completion of the prior year audits will also be reported to you.

Introduction

Council responsibilities

The Council has responsibility for:

- Preparing financial statements which give a true and fair view, in accordance with the applicable financial reporting framework and relevant legislation;
- Preparing and publishing, along with the financial statements, an annual governance statement and narrative report;
- Maintaining proper accounting records and preparing working papers to an acceptable professional standard that support its financial statements and related reports disclosures; and
- Ensuring the proper financial stewardship of public funds, complying with relevant legislation and establishing effective arrangements for governance, propriety and regularity.

Our expectations and requirements

In our audit plan, we set out the following requirements to enable us to deliver the audit in line with the agreed fee and timetable:

- Draft financial statements to be produced to a good quality by the deadlines you have agreed with us. These should be complete including all notes, the Narrative Statement and the Annual Governance Statement;
- The provision of good quality working papers at the same time as the draft financial statements. These will be discussed with you in advance to ensure clarity over our expectations;
- The provision of agreed data reports at the start of the audit, fully reconciled to the values in the accounts, to facilitate our selection of samples for testing;
- Ensuring staff are available and on site (as agreed) during the period of the audit;
- Prompt and sufficient responses to audit queries within two working days (unless otherwise agreed) to minimise delays.

Introduction

Continued progress of the audit

We have held meetings with the Chief Finance Officer (S151), Chief Executive and Chair of the Audit Committee to inform our planning.

Engagement with management has been good and we have received responses to a range of planning enquiries and requests, enabling us to progress our planning work. Where information has been received, we have not at this stage identified any adverse findings to report to you.

Our interim audit is due to happen w/c 4 March 2024 and will last for one week, therefore at the time of this report, we are unable to include the process of our interim work.

We have however agreed with management two onsite days with our audit team which we are expecting to be very beneficial to ensure an effective and efficient interim.

The continued progression of the audit from this point is dependent upon management's capacity to respond to requests and provide information as required. In particular, our planned timeframe for the interim audit in early 2024 and final accounts audit in Summer through to Autumn 2024 can only be met once management is able to satisfy the required information requests. Should this not be possible, we will inform you of the change to the audit timescales and revised likely completion dates.

Should anything arise from our finalisation of the planning procedures that changes the risks or planned procedures, we will report these to you.

We have summarised our work plan for interim on pages 6 – 8 for your information.

Audit work plan tracker

We have outlined below progress to date on planning, risk assessment and early testing in relation to the financial statement audit

Planned activity	Progress	Issues, impact and actions	Progress	Findings
IT General controls	We have completed some areas of our work in relation to IT but have not managed to complete the work for the finance system. We completed an initial meeting with the key contact in the finance team however no further information requested at this meeting has been received since November 2023. Emails chasing this information have been sent and this has now been escalated with the S151.	Lack of engagement to complete out IT work could delay our ability to stick to key timetables and deadlines if we are unable to complete our work or have significant findings in this area.	Red	We are unable to report any findings at this stage.
Planning inquiries with management	We have received response from management.	No issues noted.	Green	No issues noted.
Planning inquiries with Those Charged With Governance	We have received responses from those charged with governance.	No issues noted.	Green	No issues noted.
Value for money risk assessment and planning	We have completed our value for money planning risk assessment and did not identify any significant weaknesses at this stage of the audit.	No issues noted.	Green	No issues noted.

KEY:

RED: Information required significantly delayed and statutory deadline may not be met / significant issue identified as finding

AMBER: Information required is delayed / issue identified

GREEN: Information required received and audit on track / no significant adverse findings or issues identified

Audit work plan tracker

Planned activity	Progress	Issues, impact and actions	Progress	Findings
Preliminary going concern assessment	We have completed our preliminary going concern assessment.	No issues noted.	Green	No issues noted.
Employee remuneration starters and leavers testing	We have started testing on starters and leavers and have received the information requested to date. This will work will be complete w/c 4 March 2024.	No issues noted at this stage.	Green	No issues noted as this stage.
Responses to preliminary analytical review queries	We have completed the preliminary analytical review.	No issues noted. We will complete an updated analytical review on receipt of the draft accounts.	Green	No issues noted as this stage.
Review of internal audit	We have completed the review of internal audit at planning.	No issues noted	Green	No issues noted as this stage.
Interim income & expenditure testing (including mapping & population cleansing)	As at the date of this report, we are yet to have completed any early work in relation to income or expenditure. This will be an area of focus during our onsite time on 5 and 6 March 2024.	No issues noted at this stage.	In progress	No issues noted as this stage
Walkthroughs	We have made progress with documenting a number of process notes for significant steams which feed into the financial statements. Our interim audit taking place week commencing 4 March 2024 will focus on completing these and the relevant walkthroughs.	No issues noted at this stage.	In progress	No issues noted as this stage

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Audit work plan tracker

Planned activity	Progress	Issues, impact and actions	Progress	Findings
Review of predecessor auditor files	As the 2022/23 external audit has not yet been completed, we are unable to perform a review of the predecessor audit file as at the date of this report.	This work will be completed once the 2022/23 audit has been completed.	Not started	n/a
Opening balance testing	We are unable to complete our opening balances work until the 2022/23 audit is signed off. We will complete a test to agree the final signed financial statements to the opening trial balance as at 1 April 2023 once the accounts have been finalised.	This work will be completed once the 2022/23 audit has been completed.	Not started	n/a
Review of prior year estimate (inc. accruals)	As the 2022/23 external audit has not yet been completed, we are unable to perform a review of prior year estimates (including accruals) as we do not have a final audited set of financial statements to review.	This work will be completed once the 2022/23 audit has been completed.	Note started	n/a

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