



# Lichfield District Council

Interim progress report

Year ended 31 March 2024

April 2024



## Your key team members

### **Laura Hinsley**

Key Audit Partner

[Laura.hinsley@azets.co.uk](mailto:Laura.hinsley@azets.co.uk)

### **Helen Parks**

Audit Director

[Helen.parks@azets.co.uk](mailto:Helen.parks@azets.co.uk)

### **Cameron Penwill**

In-Charge auditor

[Cameron.penwill@azets.co.uk](mailto:Cameron.penwill@azets.co.uk)

# Contents

Introduction	3
Audit work plan tracker	6

# 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 September 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 issued their audit opinion for the years ended 31 March 2023, and 31 March 2022. Once this has been completed, we will need to review the predecessor auditor's audit file and consider the impact on our audit of any modifications to their auditor's report.

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 Director of Finance, the Chief Operating Officer, 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.

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 final accounts audit in July/August 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.

# 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
<b>Review of predecessor auditor files</b>	We have not been able to review the predecessor auditor's files as audit opinions have not been issued for the 2021/22 or 2022/23 financial years.	We are unable to assess whether audit work from previous years will impact on our risk assessment or audit procedures.	<b>AMBER</b>	The work in this area is not complete and therefore we do not have any findings to report at the time of this report.
<b>Opening balance roll forward testing</b>	It was not possible to complete this work at time of the interim audit.	Prior year closing balances have not been brought forward by the Council due to prior year audits not being completed.	<b>AMBER</b>	No issues identified at the time of this report.
<b>IT General controls</b>	The scope of our ITGC work has been agreed.	Work in this area is now in progress with the first meeting scheduled for 9 <sup>th</sup> April.	<b>AMBER</b>	No issues identified at the time of this report.
<b>Ingest journal upload dummy run</b>	This in progress as we are experiencing complications in mapping the ledger data within our system	Management have provide the information requested and we are continuing to work on this to lessen the burden at year end.	<b>AMBER</b>	No issues identified at the time of this report.
<b>Management expert assessment</b>	We have written to the Council's external valuer asking a range of questions about the scope of their work.	We have received confirmation that their work is on-going and they will issue their findings to us in due course.	<b>AMBER</b>	No issues identified at the time of this report.

- 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
<b>Walkthroughs</b>	These have been completed as far as possible.	Walkthroughs of IAS19 and PPE valuation will be completed after the year end due to the timing of information becoming available for audit.	<b>GREEN</b>	No issues identified at the time of this report.
<b>Preliminary going concern assessment</b>	This has been completed.	We have completed our initial assessment of going concern by considering the prior year information provided and the latest MTFS.	<b>GREEN</b>	No issues identified at the time of this report.
<b>Employee remuneration starters and leavers testing</b>	Testing is in progress.	We have received information requested for our M1-9 samples	<b>GREEN</b>	No issues identified at the time of this report.
<b>Management judgements and estimates</b>	We have gained an understanding of managements judgements and estimates expected within the financial statements	Management to present their key judgements and estimates to the Audit Committee in April 2024.	<b>GREEN</b>	No issues identified at the time of this report.
<b>Planning inquiries with management</b>	We have received responses from management with regard to our planning enquiries which allowed us to issue our audit plan.	No issues identified.	<b>GREEN</b>	No issues identified at the time of this report.
<b>Planning inquiries with Those Charged With Governance</b>	We have completed our planning inquiries with Those Charged with Governance.	No issues identified.	<b>GREEN</b>	No issues identified at the time of this report.

**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
<b>Review of internal audit reports and function</b>	We have completed the work in this area. This has included reviewing available internal audit reports as well as completing our inquiries with internal audit directly.	No issues identified.	<b>GREEN</b>	No issues identified at the time of this report.
<b>Response to other planning inquiries</b>	We have made inquiries with management on the process they are undertaking to establish the impact of IFRS 16 will have on the council.	We have received responses to our inquiries on how the council is assessing the impact of IFRS 16 on arrangements where it is the lessee. We will review the disclosures relating to IFRS 16 included in the accounts as part of year end testing.	<b>GREEN</b>	No issues identified at the time of this report.
<b>Groups and component auditors</b>	We have reviewed management's assessment of whether groups accounts should be produced.	We have concurred with management's preliminary assessment that at this stage group accounts do not need to be prepared for the 2023/24 financial year. We will reconsider this after year end.	<b>GREEN</b>	No issues identified at the time of this report.
<b>Responses to preliminary analytical review queries</b>	This has been completed.	Responses to our queries regarding variances identified through testing have been responded to satisfactorily by management.	<b>GREEN</b>	No issues identified at the time of this report.
<b>Value for money risk assessment and planning</b>	We have completed our planning work for value for money.	We will be scheduling a number of meetings over the coming months to complete our fieldwork procedures.	<b>GREEN</b>	No issues identified at the time of this report.

**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
<b>PPE additions early testing</b>	Testing is in progress.	We have received information requested for our M1-9 samples.	<b>GREEN</b>	No issues identified at the time of this report.

- 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

# AZETS

We are an accounting, tax, audit, advisory and business services group that delivers a personal experience both digitally and at your door.

Accounting | Tax | Audit | Advisory | Technology

[hello@azets.co.uk](mailto:hello@azets.co.uk)

Follow us

