



# Stevenage Borough Council

Interim progress report

Year ended 31 March 2024

May 2024



## Your key team members

### **Paul Grady**

Key Audit Partner

[Paul.Grady@azets.co.uk](mailto:Paul.Grady@azets.co.uk)

### **Martha Charima**

Manager

[Martha.Charima@azets.co.uk](mailto:Martha.Charima@azets.co.uk)

### **Tshego Dinalane**

In-Charge auditor

[Tshego.Dinalane@azets.co.uk](mailto:Tshego.Dinalane@azets.co.uk)

## TABLE OF CONTENT

Introduction	3
Audit progress	5
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
- 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 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 2023 audit, and earlier years, 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.

# Audit progress

## Continued progress of the audit

We have held meetings with the Chief Finance Officer and Chief Executive, as well as made enquiries of the Chair of the Audit Committee to inform our planning.

Our work included, but was not limited to, the following:

- Review of the entity's control environment and understanding of the financial systems;
- Value for money risk assessment and planning;
- Preliminary going concern assessment;
- Review of internal audit reports;
- Review and understanding of IT general controls;
- Planning inquiries of management;
- Payroll testing and reports up to Month 9;
- Preliminary analytical review;
- Population cleansing;

Because the council doesn't map its Month 9 General Ledger to the Trial Balance and Accounts, we have not been able to undertake any early interim testing.

Engagement with management has been positive and constructive and we have received responses to a range of planning enquiries and requests, enabling us to progress our planning and interim work. The finance team has been responsive and supportive and has enabled us to progress a substantial proportion of our work.

There are no matters arising which we consider to be RED rated.

Where information has been received and audit work has been performed, this is subject to management review. We have not at this stage identified any adverse findings to report to you.

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

**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

Planned activity	Progress	Issues, impact and actions	Progress	Findings
<b>Planning inquiries with management</b>	Responses received.	No issues identified		
<b>Planning inquiries with Those Charged With Governance</b>	Responses received.	No issues identified		
<b>Value for money risk assessment and planning</b>	Responses received.	No issues identified		
<b>Opening balance testing</b>	This will be completed once the predecessor auditor has concluded their prior year audits.	Once the 2023 audit, and earlier years, 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.		<b>TBC</b>
<b>Population cleansing</b>	The council does not map its Month 9 transactions to the GL and Accounts; hence, work in this section will be performed at year end.	We have been unable to select interim samples; hence we will do so at year end.		<b>TBC</b>

# Audit work plan tracker

Planned activity	Progress	Issues, impact and actions	Progress	Findings
<b>IT General controls</b>	Work is currently in progress	At the time of writing this report, no errors or issues have been identified.		<b>TBC</b>
<b>Walkthroughs</b>	Responses received and work is in progress but on track. PPE and Pensions walkthroughs can only be fully completed at year and this work is scheduled to be completed during the final accounts visit. Journals walkthrough has been completed and is now subject to management review.	No issues identified		
<b>Preliminary going concern assessment</b>	Responses received.	No issues identified		
<b>Review of prior year accruals</b>	We have received information and testing is still on-going.	At the time of writing this report, no errors or issues have been identified.		<b>TBC</b>
<b>Employee remuneration starters and leavers testing</b>	We have received information and testing is still on-going.	At the time of writing this report, no errors or issues have been identified.		<b>TBC</b>
<b>Management judgements and estimates</b>	Responses received and work completed	No issues identified.		

**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>Response to other planning inquiries</b>	Responses received.	No issues identified		
<b>Review of predecessor auditor files</b>	We will perform the review of the predecessor auditor file once the March 2023 accounts are signed off	Prior year audit is still ongoing		<b>TBC</b>
<b>Responses to preliminary analytical review queries</b>	Responses received.	At the time of writing this report, no errors or issues have been identified		<b>TBC</b>
<b>Review of internal audit</b>	Responses received.	No issues identified.		

**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 the commercial income strip's accounting treatment</b>	We will be requesting a paper from management detailing their assessment of the commercial income strip and setting out the accounting rationale and key assumptions. This will be subject to technical review.	We request this is prepared ahead of the final accounts visit to enable us to commence our review of this ahead of final accounts.	<b>N/A</b>	<b>TBC</b>
<b>Group accounts</b>	We will be requesting from management a group accounts and consolidation working paper to enable us to review the group arrangements and finalise group materiality at final accounts.	We request this is prepared ahead of the final accounts visit to enable us to commence our review of this ahead of final accounts.	<b>N/A</b>	<b>TBC</b>

**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



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

