

# Audit Progress Report

Burnley Borough Council

Audit and Standards Committee

March 2024



1. Audit Progress
2. National publications

# Audit progress

## Purpose of this report

Section 1 of this report provides the Audit and Standards Committee with:

- An overview of our responsibilities as the appointed external auditor for 2023/24
- Confirmation of the audit engagement team
- A provisional timeline for the 2023/24 audit

Section 2 includes a number of national publications which may be of interest to the Committee.

# 01

Section 01:  
**Audit Progress**

# Engagement and responsibilities summary

## Overview

We are appointed to perform the external audit of Burnley Borough (the Council) for the year to 31 March 2024. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>. Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.



### Audit opinion

We are responsible for forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with the Code of Practice on Local Authority Accounting. Our audit does not relieve management or the Audit and Standards Committee, as those charged with governance, of their responsibilities.

The Head of Finance and Property is responsible for the assessment of whether is it appropriate for the Council to prepare its accounts on a going concern basis. As auditors, we are required to obtain sufficient appropriate audit evidence regarding, and conclude on: a) whether a material uncertainty related to going concern exists; and b) consider the appropriateness of the Head of Finance and Property's use of the going concern basis of accounting in the preparation of the financial statements.



### Fraud

The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both those charged with governance and management. This includes establishing and maintaining internal controls over reliability of financial reporting.

As part of our audit procedures in relation to fraud we are required to enquire of those charged with governance, including key management as to their knowledge of instances of fraud, the risk of fraud and their views on internal controls that mitigate the fraud risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit so as to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However our audit should not be relied upon to identify all such misstatements.

### Wider reporting and electors' rights

We report to the NAO on the consistency of the Council's financial statements with its Whole of Government Accounts (WGA) submission.

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and consider any objection made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.



### Value for money

We are also responsible for forming a commentary on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources.

# Your audit engagement team

Below is your audit engagement team and their contact details.



**Karen Murray**

**Audit Partner**

Karen.murray@mazars.co.uk

Telephone



**Amelia Salford**

**Senior Manager**

Amelia.salford:@mazars.co.uk

+44 (0)161 238 9308



**Hendrix-Jnr Gutu**

**Assistant Manager**

Hendrix-jnr.gutu@mazars.co.uk

+44 (0)161 238 9944

# Audit timeline

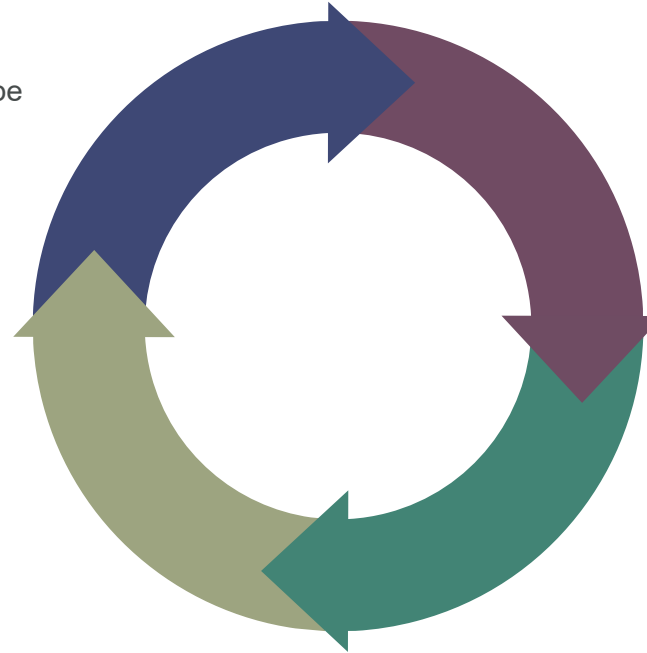
## Planning and Risk Assessment: March 2024

- Planning visit and developing our understanding of the Council
- Initial opinion and value for money risk assessments
- Considering proposed accounting treatments and accounting policies
- Developing the audit strategy and planning the audit work to be performed
- Agreeing timetable and deadlines
- Risk assessment analytical procedures
- Determination of materiality

## Completion: November 2024(\*\*)

- Final review and disclosure checklist of financial statements
- Final partner review
- Agreeing content of letter of representation
- Reporting to the Audit and Standards Committee
- Reviewing subsequent events
- Signing the independent auditor's report

(\*\*) Final sign off of the Audit Report will depend on receiving assurance in respect of the pensions liability from the Lancashire County Pension Fund auditor. The timing of this is not yet agreed but is not expected to be before October 2024.



## Interim: March and April 2024

- Reviewing the work of the predecessor auditor
- Documenting systems and controls
- Performing walkthroughs
- Interim controls testing including tests of IT general controls
- Early substantive testing of transactions
- Reassessment of audit plan and revision if necessary

## Fieldwork: August and September 2024 (\*)

- Receiving and reviewing draft financial statements
- Delivering our audit strategy starting with significant risks and high risk areas including detailed testing of transactions, account balances and disclosures
- Communicating progress and issues
- Clearance meeting

(\*) Provisional dates for audit fieldwork, depending on the outcome from the Department for Levelling Up, Housing and Communities consultation on Addressing the local audit backlog these dates may change. We will discuss and agree any changes with management.

# 02

Section 02:

**National publications**



# National publications

This section highlights recent national publications that may be of interest to Members of the Committee. If you require any additional information, please contact any member of your engagement team.

We have, in the tables that follow, provided a brief insight into the purpose/key points of the publications with indicative relevance and/or suggested action using the following RAG ratings:

- Action required
- Action suggested
- For information only

	Publication/update	Key points	Link	Action
<b>National Audit Office (NAO)</b>				
1	NAO insight – Financial Management in Government: Strategic Planning and Budgeting	The NAO has published a good practice guide in financial management aimed at senior finance leaders in government departments and other public bodies.	<a href="#">[here]</a>	●
2	Reforming Adult Social Care in England	This report looks at how DHSC is responding to the challenges facing adult social care in England, and its progress with delivering the reforms set out in the 2021 white paper.	<a href="#">[here]</a>	●
3	Approaches to Achieving Net Zero Across the UK	This report is a joint piece of work between the public audit offices of the four UK nations – Audit Scotland, Audit Wales, National Audit Office and Northern Ireland Audit Office – and has been produced with engagement from each respective government or administration. It sets out the UK and devolved governments’ legislation, policy, strategy, governance and monitoring arrangements, relevant to achieving net zero greenhouse gas emissions.	<a href="#">[here]</a>	●
4	Managing Risks in Government	By examining current practice in government and the private sector the NAO have developed six principles of risk management. By following these principles, organisations can move their risk management arrangements from a process-led approach to one which supports the efficient and effective delivery of services.	<a href="#">[here]</a>	●

# National publications (continued)

	Publication/update	Key points	Link	Action
<b>Chartered Institute of Public Finance and Accountancy</b>				
5	Section 114s: where are we headed next? 16 August 2023	Rob Whiteman, CIPFA CEO assesses the latest position on s114 notices (where formal action needs to be taken to balance a Council's finances), what has been done to prevent further s114 notices, whether more will occur and what the sector should do. This originally appeared as an article in the Municipal Journal on 31 July 2023.	<a href="#">[here]</a>	●
<b>Department for Levelling Up, Housing and Communities</b>				
6	Municipal Journal Article by a Local Government Minister on Rebuilding Audit, 30 October 2023	An article by Lee Rowley MP in Municipal Journal and the most up-to-date statement at the current time of proposals to address the backlog of local government audits.	<a href="#">[here]</a>	●
7	Addressing the local audit backlog in England: Consultation	This consultation seeks views on amending the Accounts and Audit Regulations 2015 as part of a package of cross-system measures to clear the backlog and put the system on a sustainable footing.	<a href="#">[here]</a>	● Management should note the proposed arrangements
<b>Mazars</b>				
8	Mazars Transparency Report	We are pleased to present the 2022-2023 Transparency Report for Mazars in the UK. Our 2023 report provides an overview of how we are continuing to enhance audit quality within Mazars and contributing to safeguarding the public interest.	<a href="#">[here]</a>	●

## Contact

### Mazars

Partner: Karen Murray

Email: [karen.murray@mazars.co.uk](mailto:karen.murray@mazars.co.uk)

Senior Manager: Amelia Salford

Email: [amelia.salford@mazars.co.uk](mailto:amelia.salford@mazars.co.uk)

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services\*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

\*where permitted under applicable country laws.

[www.mazars.com](http://www.mazars.com)

## Follow us:

### LinkedIn:

[www.linkedin.com/company/Mazars](http://www.linkedin.com/company/Mazars)

### Twitter:

[www.twitter.com/MazarsGroup](http://www.twitter.com/MazarsGroup)

### Facebook:

[www.facebook.com/MazarsGroup](http://www.facebook.com/MazarsGroup)

### Instagram:

[www.instagram.com/MazarsGroup](http://www.instagram.com/MazarsGroup)

### WeChat:

ID: Mazars