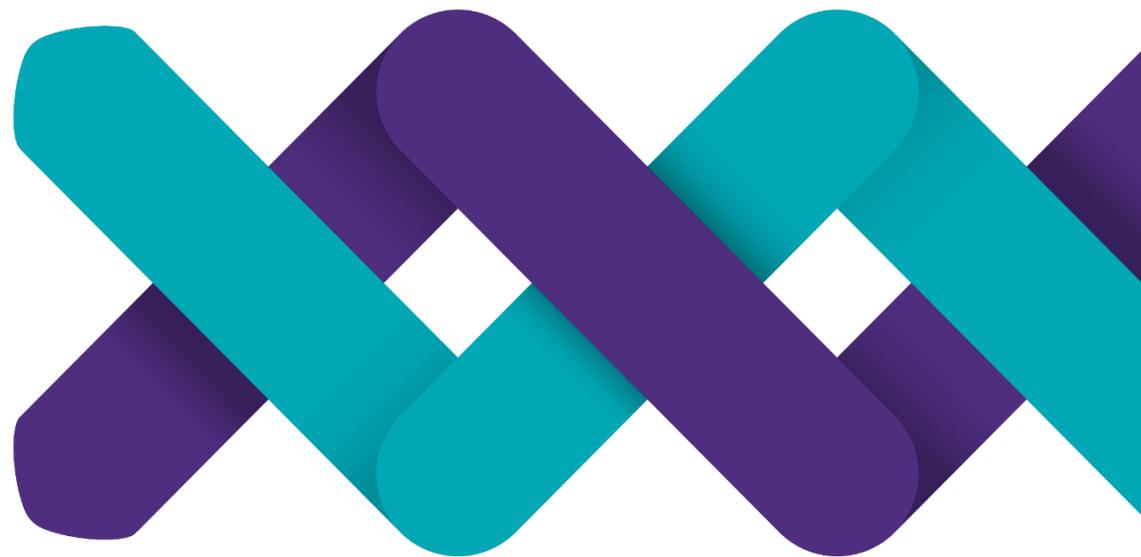


Audit Progress Report

South Lakeland District Council
Year ending 31 March 2020

04 September 2019



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Introduction



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

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grantthornton.co.uk.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at September 2019

2018/19 Financial Statements, Value for Money and Housing benefits

We have completed our audit of the Council's 2018/19 financial statements. Our audit opinion, including our value for money conclusion and certificate of audit closure was issued on the 30 July 2019.

We issued an unqualified:

- opinion on the Council's financial statements; and
- value for money conclusion on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.

We have issued all our deliverables for 2018/19 and have concluded our work on the 2018/19 financial year. Our Annual Audit Letter, summarising the outcomes of our audit is included as a separate agenda item at the Audit Committee on 19 September 2019.

We have started our assurance work on Housing benefits and subsidy. We will report the main outputs on completion of the certification work to the Audit Committee in December 2019, following the statutory deadline of 30 November 2019.

2019/20 Financial Statements Audit

We will soon be commencing our audit planning, and our Audit Plan will set out our proposed approach to the audit of the Council's 2019/20 financial statements. We will present our Audit Plan to the Audit Committee on 05 December 2019.

Our detailed work and audit visits will begin later in the year and we will discuss the timing of these visits with management. In the meantime we will:

- continue to hold regular discussions with management to inform our risk assessment for the 2019/20 financial statements and value for money audits;
- review minutes and papers from key meetings; and
- continue to review relevant sector updates to ensure that we capture any emerging issues and consider these as part of audit plans.

Our interim fieldwork will include:

- updating our understanding of the Council's control environment;
- updating our understanding of the Council's significant financial systems;
- reviewing Internal Audit reports on core financial systems;
- early work on emerging accounting issues; and
- early substantive testing.

2019/20 Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

We will be commencing our initial risk assessment to determine our approach. The approach will be reported in our Audit Plan.

Audit Deliverables

| 2019/20 Deliverables | Planned Date | Status |
|--|---------------|-------------|
| Fee Letter Confirming audit fee for 2019/20. | April 2019 | Complete |
| Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2019/20 financial statements. We will also report the findings of our initial value for money risk assessment. | December 2019 | Not yet due |
| Interim Audit Findings We will report to you the findings from our interim audit within our Progress Report. | April 2020 | Not yet due |
| Audit Findings Report The Audit Findings Report will be reported to the July Audit Committee. | July 2020 | Not yet due |
| Auditor's Report This is the opinion on your financial statement, annual governance statement and value for money conclusion. | July 2020 | Not yet due |
| Annual Audit Letter This letter communicates the key issues arising from our work. | August 2020 | Not yet due |

