



Audit Progress Report

Stockport Metropolitan Borough Council

November 2024

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Audit progress

Audit progress

Purpose of this report

This report provides the Audit Committee with information about progress in delivering our responsibilities as your external auditors for Stockport Metropolitan Borough Council (the Council) for the year ending 31 March 2024.

Audit for the year ending 31 March 2024

Financial statements Audit

The planning and fieldwork stage of our audit for the year ended 31 March 2024 commenced in September. We have substantially completed our planning work. We are currently in the progress of completing our detailed testing and anticipate issuing our opinion in early 2025. At the time of issuing this report there are no matters to bring to the attention of members.

The table below summarises the fieldwork areas we have started and the progress to date:

Statutory records

We have completed our work in this area.

Expenditure testing

We have selected our samples in this area and have received evidence from management. We have reviewed a significant portion of the evidence provided by management.

Income testing

We have selected our samples in this area and have received evidence from management. We have reviewed a significant portion of the evidence provided by management.

Fraud and related parties

We have selected our journals sample and have received the evidence from management.

Cash flow statement

We have substantially completed our work in this area.

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Investment properties

We have commenced work in this area including our work on the significant risk area of investment property valuations.

Property, plant and equipment

We have commenced work in this area including our work on the significant risk area of land and building valuations.

Investments

We have completed our work on short term investments and have commenced our work on long term investments.

Debtors

We have selected the debtors sample and have received evidence from management. We have reviewed a significant portion of the evidence provided by management.

Loans and borrowing

We have completed our work in this area.

Creditors

We have completed our work in this area.

Pensions

We have commenced our work in this area.

Housing revenue Account

We have substantially completed our work in this area.

Collection fund

We have completed our work in this area.

Group

We have commenced our work on this area. We have discussed with management and put in place plans to complete the work we are required to complete with respect to the Council's subsidiaries' income and expenditure.

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Value for money arrangements

We have commenced our work on the Council's value for money arrangements. We received the supporting documents requested from the Council earlier this year, we are currently in the process of reviewing these documents to form our view on whether the Council has proper arrangements to deliver value for money in its use of resources.

We plan to complete and report our Value for Money arrangements work alongside our work on the financial statements audit, and will issue our Auditor's Annual Report at the conclusion of the audit.

02

National publications

National publications

	Publication/update	Key points
Chartered Institute of Public Finance and Accountancy ('CIPFA')		
1	CIPFA Bulletin 18 Local Audit Backlog	CIPFA have issued one Bulletin to provide further guidance to Councils on the financial reporting requirements.
Department for Levelling Up, Housing and Communities ('DLUHC')		
2	Addressing the local audit backlog in England: Consultation response	This consultation sought 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. The consultation closed on 7 March 2024. The Government has now released the consultation response.
Other		
3	Forvis Mazars – Preparing for the Procurement Act 2023	The Procurement Act 2023 is set to transform the procurement procedures for public sector bodies. Our latest article provides an in-depth overview of the new Procurement Act.
4	Forvis Mazars – Understanding the new 'Failure to Prevent Fraud' Offence in a Public Sector context	The UK Government has recently announced a new corporate criminal offence – the 'failure to prevent fraud' offence – within the Economic Crime and Corporate Transparency Act 2023.

National publications

CIPFA

1. CIPFA Bulletins

Bulletins issued by CIPFA, with the assistance of CIPFA panels, provide practitioners with topical guidance on specific issues and accounting and reporting developments. CIPFA has issued the following Bulletin's in recent months:

CIPFA Bulletin 18 Local Audit Backlog in England

Legislation has now been passed bringing into effect backstop dates for authorities in England to publish final accountability statements. This bulletin provides guidance on what this will mean for local authority audits, in particular the types of modified opinions authorities may see and how auditors will rebuild assurance.

Link: [CIPFA Bulletin 18 Local audit backlog in England | CIPFA](#)

National publications

DLUHC

2. Addressing the local audit backlog in England: Consultation Response

Between 8 February and 7 March 2024 the then Department for Levelling-Up Housing and Communities (DLUHC) consulted on amending the Accounts and Audit Regulations 2015 as part of measures to tackle the backlog of unaudited local body accounts in England.

The proposals consulted upon included setting a statutory backstop date to clear the backlog of unaudited accounts up-to-and-including financial year 2022/23. They also included setting backstop dates for financial years 2023/24 to 2027/28 to enable the local audit system to recover.

All the named stakeholders were consulted, there were 191 responses. A breakdown of the type of respondent and organisation they responded on behalf of is included at Annex A found in the following link: [Addressing the local audit backlog in England: Consultation response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/addressing-the-local-audit-backlog-in-england)

On 30 July 2024, the government announced its intentions to pursue proposals to address the local audit backlog. On the 9th September the government laid in parliament two pieces of legislation which will give effect to these proposals. A key aspect of the proposals is to require Category 1 bodies, such as the Council, to publish audited financial statements by a series of backstop dates. The proposed backstop dates, per the announcement, are as follows:

- Financial years up-to-and-including 2022/23: 13 December 2024
- Financial year 2023/24: 28 February 2025
- Financial year 2024/25: 27 February 2026
- Financial year 2025/26: 31 January 2027
- Financial year 2026/27: 30 November 2027
- Financial year 2027/28: 30 November 2028

Further information can be found at the following link: [Written statements - Written questions, answers and statements - UK Parliament](https://www.parliament.uk/written-questions-answers-statements/written-statements)

National publications

Other

3. Forvis Mazars – Preparing for the Procurement Act 2023

The Procurement Act 2023 is set to transform the procurement procedures for public sector bodies in the UK by:

- Enhancing transparency in procurement processes, requiring greater disclosure of information about procurement opportunities;
- Improving efficiency by introducing new measures such as electronic procurement platforms; and
- Promoting fairness to ensure all suppliers have equal access to government contracts.

Our latest article provides an in-depth overview of the new Procurement Act, including when it will be implemented, key provisions and how public sector organisations can prepare.

[Preparing for the Procurement Act 2023](#)

4. Forvis Mazars – Understanding the new ‘Failure to Prevent Fraud’ Offence in a Public Sector context

The UK Government has recently announced a new corporate criminal offence – the ‘failure to prevent fraud’ offence – within the Economic Crime and Corporate Transparency Act 2023.

Fraud is currently the most common crime in the UK, and this new offence is designed to drive a cultural shift, encouraging organisations to improve their prevention procedures and reduce instances of fraud. It strengthens existing powers to fine and prosecute organisations for fraud committed by their employees and agents, closing loopholes that have allowed organisations to avoid prosecution in the past.

This new offence holds large organisations, both in the public and private sectors, accountable for fraudulent activities committed by their employees or agents.

[‘Failure to Prevent Fraud’ in the Public Sector](#)

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