



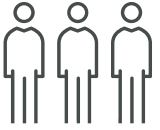
## **CIPFA NE professional development day**

Getting through the annual account process together – an auditor's perspective

July 2025

# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective



Introductions



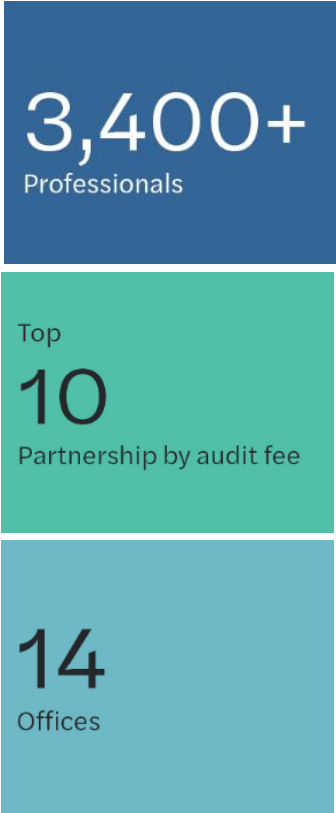
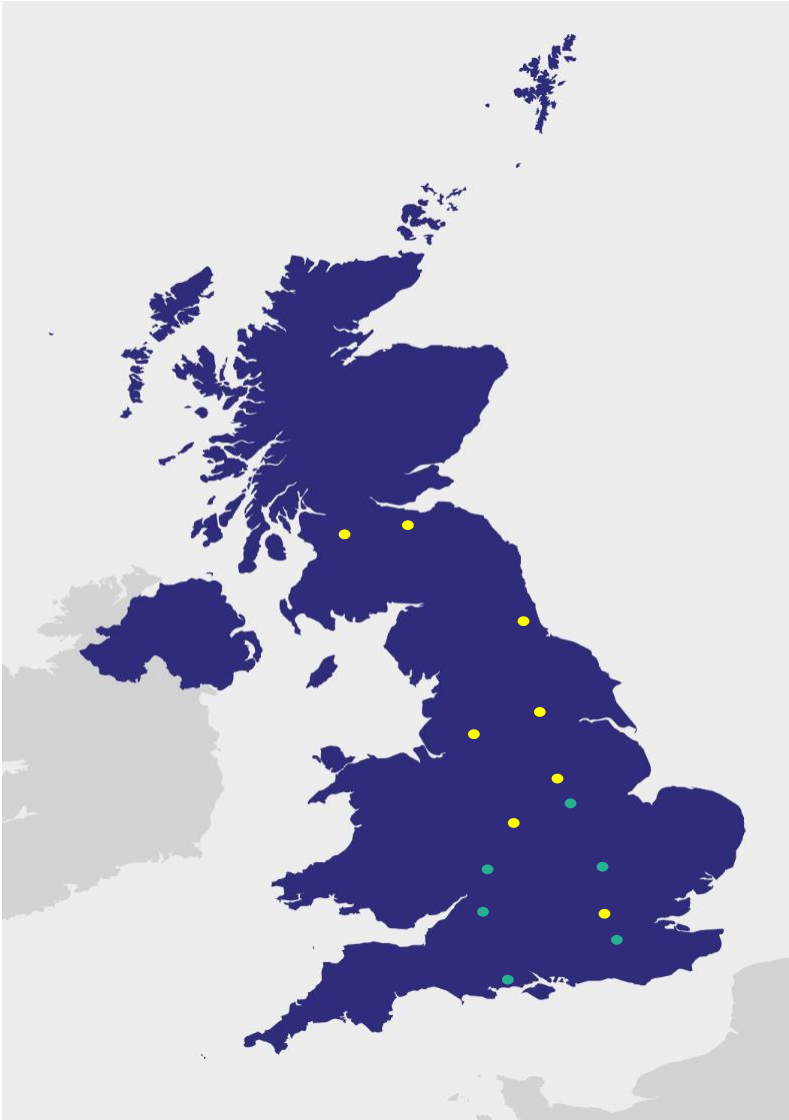
What we're going to cover



Questions

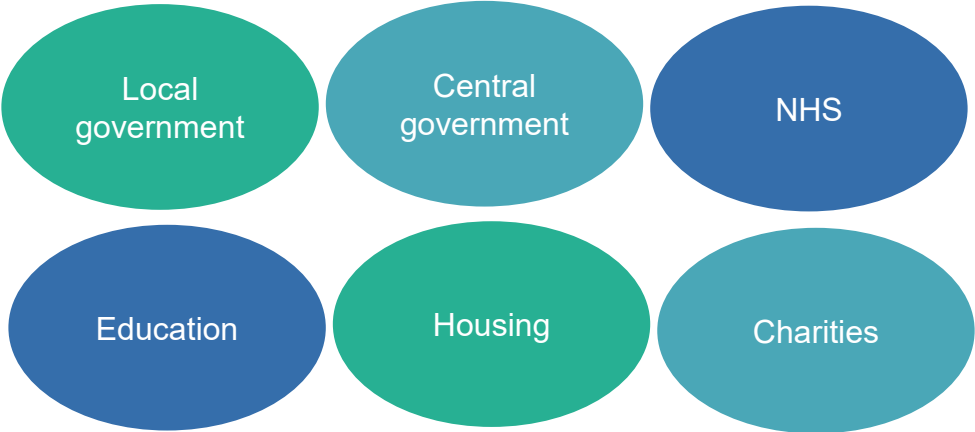
# CIPFA NE professional development day

## Getting through the annual account process together – an auditor’s perspective



### Forvis Mazars - Public and Social Sector

- One of the firm’s key strategic markets
- Full audit and advisory offer
  - Audit and assurance
  - Consulting
  - Technology solutions
  - Accounting and outsourcing



Who does what and why?



# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

What is an audit for?

Legislative  
requirements

I don't know!!!

## Why do you think you need an audit?

I don't think we  
should need one

Public accountability

So I know I'm doing  
a good job



# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

### Why your auditor does what they do



# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

### Your responsibilities as accounts preparers

#### Local government as an example

Local Audit and Accountability Act  
2014

Accounts and Audit Regulations 2015  
(as amended, many times)

Local Authority Capital Accounting and  
Finance Regulations 2003 (as  
amended, many times)

1989 Local Government and Housing  
Act

CIPFA LASAAC Code of Practice in  
Local Authority Accounting

# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

### Statement of responsibilities?

#### **The Director of Finance's Responsibilities**

The Director of Finance is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Director of Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Code.

The Director of Finance has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.



# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

### Audit opinion

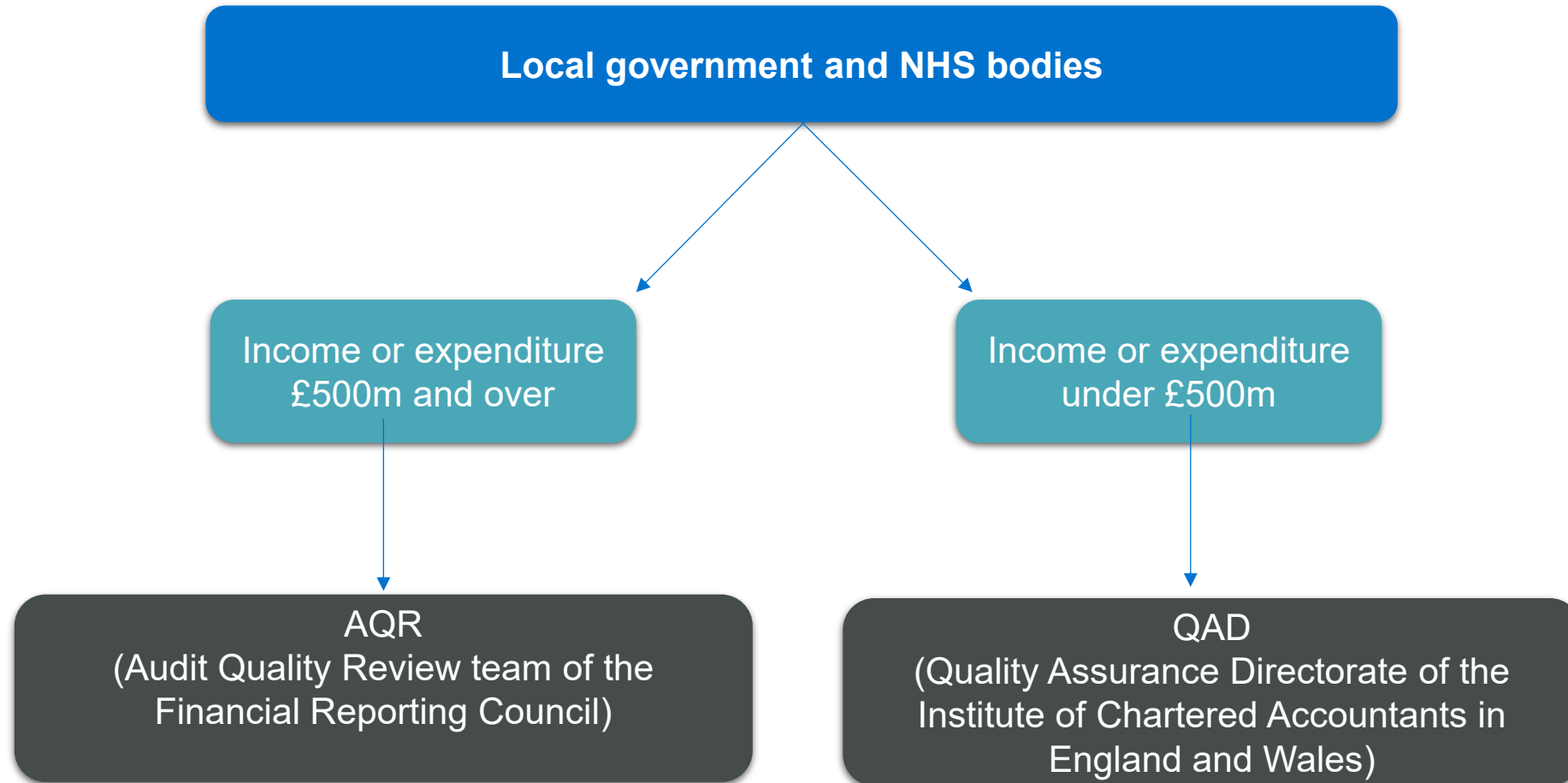
In our opinion, the financial statements:

- give a true and fair view of the financial position of the Council and the Group as at 31st March 2024 and of the Council's and the Group's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

What do you think we focus on, and why?



# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

### Areas of focus

**Big numbers?**

**Complex areas?**

**Areas of estimation?**

# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

### Valuation of Property, Plant and Equipment

#### **It's a significant risk where held at valuation**

Biggest figures on the SOFP/balance sheet – nearly always material at a provider or a council

- A small %age error on a large balance can lead to a non-trivial difference

Inherent estimation uncertainty and judgement – has its own ISA

- MEA for specialised assets
- Alternate site?
- Use of indices?

Use of experts – has 2 ISAs!

- Does management understand what the valuer has done
- Does the auditor understand what the valuer has done? Does the auditor need an expert?

# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

### Judgements and estimates

It's often not black and white - can't agree back to an invoice

- Are assumptions appropriate. Are changes from the prior period appropriate?

Justify why you are moving to an alternate site valuation. Why does it give a better reflection of the service potential?

- Do judgements made in selecting assumptions give rise to indicators of possible management bias?

Does moving to an alternate site lead to a reduction on overall valuation, and therefore PDC and depreciation in the SOCI?

- Are significant assumptions consistent with each other and with the auditor's knowledge?

Are there plans to diversify provision in community sites rather than on a single large site?

- Whether management has the intent to carry out specific courses of action and has the ability to do so?

Is it realistic?

# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

### Judgements and estimates

- Have other assumptions been considered?
  - If not, why not?
- An auditor may use different assumptions or data available to them to corroborate management's judgements
  - Be willing to explain a difference
- An auditor will test underlying data
  - Be able to provide it



**How do we get there?**



CIPFA NE professional development day

Getting through the annual account process together – an auditor's perspective

Project management

Why is project management of an audit important?

# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

### Project management

Why is project management of an audit important?

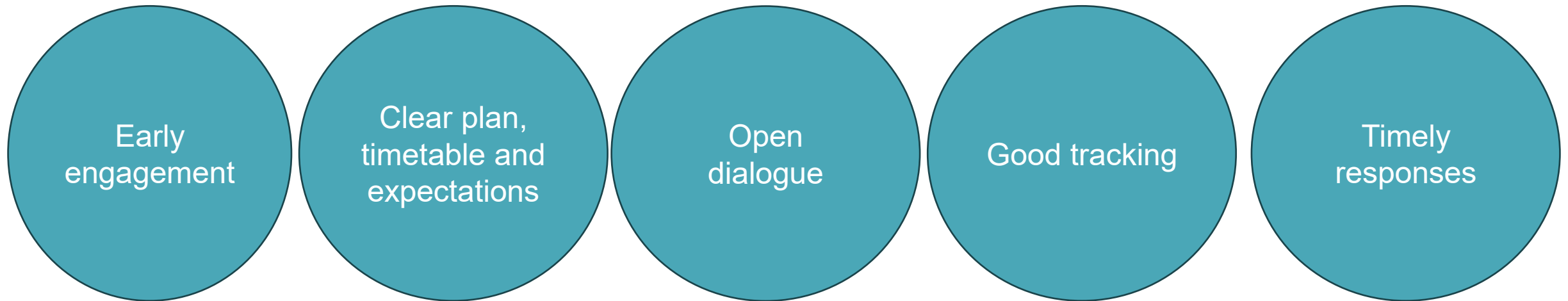
- Meet agreed deadlines
- Avoid last minute surprises
- Effective use of resources
- Sufficient time for internal review
- Deliver our portfolio of work to deadlines

# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

### Project management

Where it works well

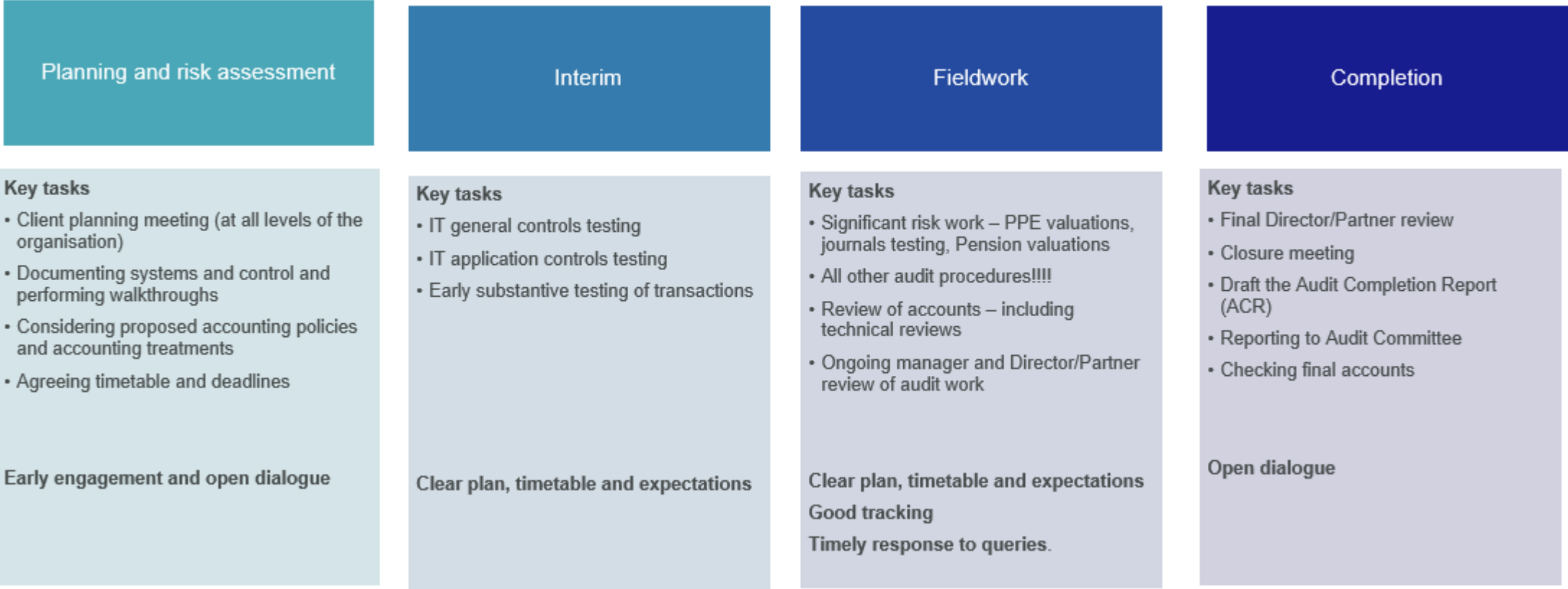


# CIPFA NE professional development day

## Getting through the annual account process together – an auditor’s perspective

### Project management

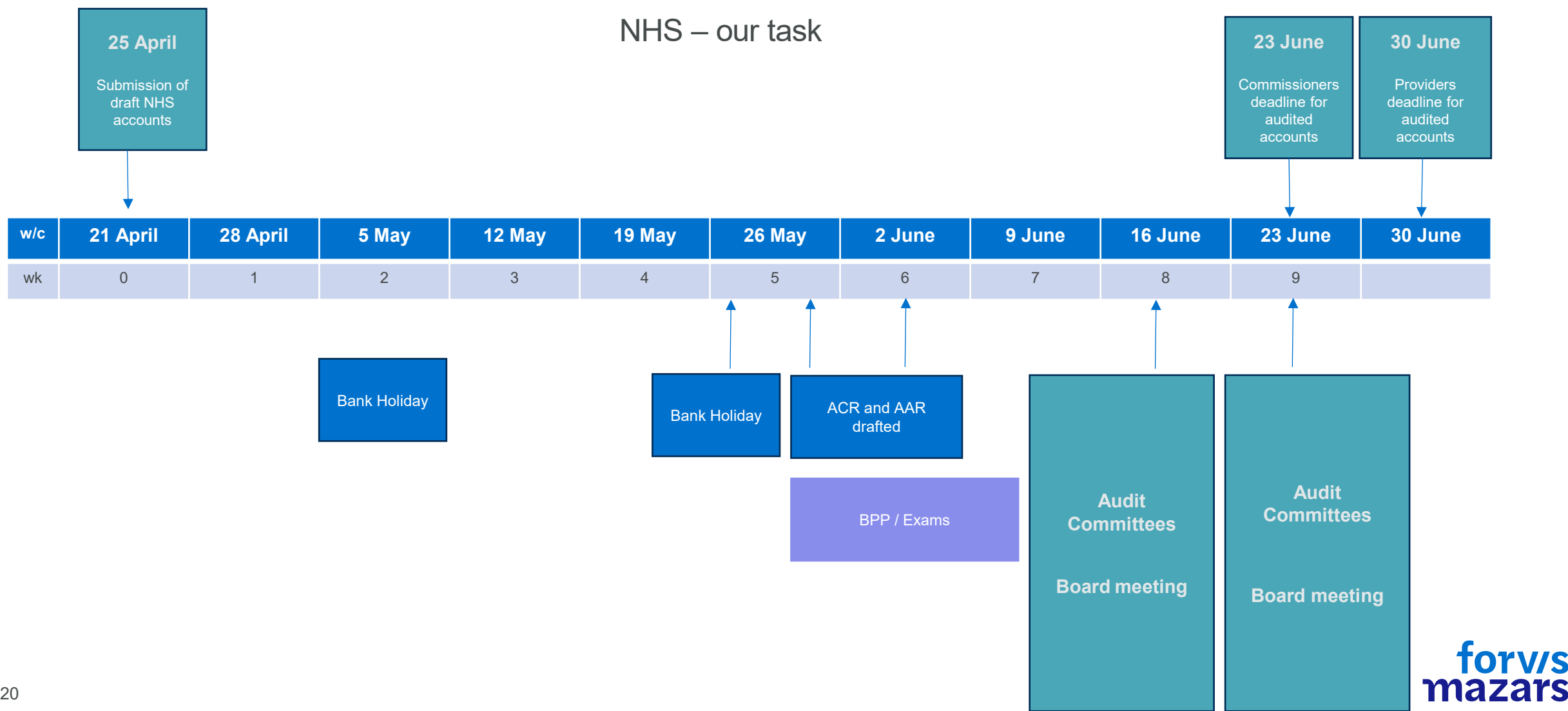
#### The audit cycle



# CIPFA NE professional development day

## Getting through the annual account process together – an auditor’s perspective

### Project management





# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

### Project management

- Be upfront with your auditor
- Anything new planned in year?
- Accounting policies
- Accounting judgements and estimates
- Agree working papers to be provided – when and how

# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

### Project management

#### Technology

- Signals is Forvis Mazars' client collaboration platform that allows us to stay on top of projects. The tool is intended to facilitate and support digital collaboration and project management
- Bank confirmations
- Tools to cast accounts
- Data ingestion tools - connect with accounting applications to ingest data in a standardised format providing IPE assurance
- Revenue data analytics solutions
- AI tools which allow smart interrogation of data

**Summing up**



# CIPFA NE professional development day

## Getting through the annual account process together – an auditor's perspective

### Summing up



Right timeframe

Right audit opinion

Right quality

Any questions?



# Contact

## Forvis Mazars

### James Collins

Director

Mob: 07881283527

james.collin@mazars.co.uk

### Cathie Eddowes

Director

Mob: 07881283344

cathie.eddowes@mazars.co.uk

# Follow us

[LinkedIn](#)

[X \(Twitter\)](#)

[Facebook](#)

[Instagram](#)

Find out more at

[www.forvismazars.com/uk](http://www.forvismazars.com/uk)

Forvis Mazars is the brand name for the Forvis Mazars Global network (Forvis Mazars Global Limited) and its two independent members: Forvis Mazars, LLP in the United States and Forvis Mazars Group SC, an internationally integrated partnership operating in over 100 countries and territories. Forvis Mazars Global Limited is a UK private company limited by guarantee and does not provide any services to clients. Forvis Mazars LLP is the UK firm of Forvis Mazars Group.

Visit [forvismazars.com/global](http://forvismazars.com/global) to learn more about the global network.

© Forvis Mazars 2025. All rights reserved.



Information contained in this presentation is confidential and is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Forvis Mazars LLP accepts no responsibility for any loss arising from any action taken or not taken by anyone using the material contained herein.

