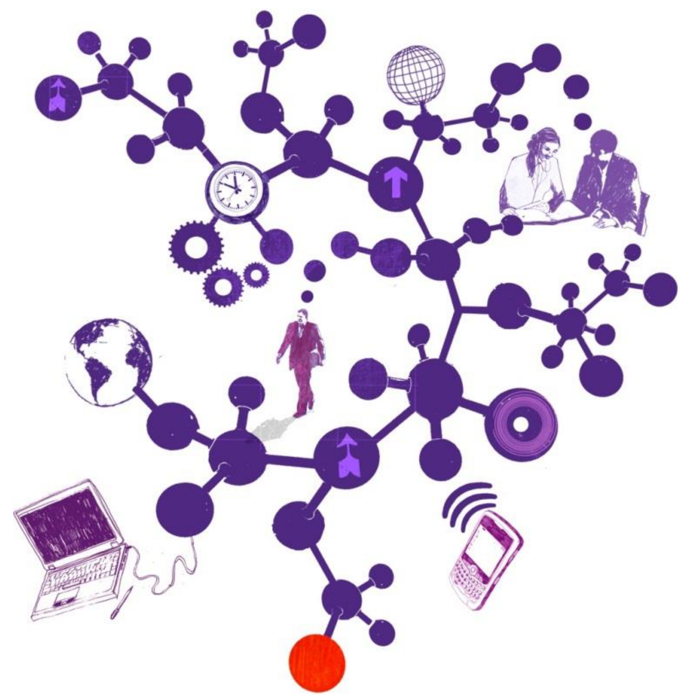
Grant Thornton

The Audit Plan
for Blackburn with Darwen Council

Year ending 31 March 2016

March 2016



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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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18 March 2016

Dear Members of the Audit Committee

Audit Plan for Blackburn with Darwen Council for the year ending 31 March 2016

This Audit Plan sets out for the benefit of those charged with governance (in the case of Blackburn with Darwen Council, the Audit Committee), an overview of the planned scope and timing of the audit, as required by International Standard on Auditing (UK & Ireland) 260. This document is to help you understand the consequences of our work, discuss issues of risk and the concept of materiality with us, and identify any areas where you may request us to undertake additional procedures. It also helps us gain a better understanding of the Council and your environment. The contents of the Plan have been discussed with management.

We are required to perform our audit in line with the Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General in April 2015.

Our responsibilities under the Code are to:

- give an opinion on the Council's financial statements
- satisfy ourselves the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Yours sincerely

Karen Murray

Engagement Lead

Contents

Understanding your business

In planning our audit we need to understand the challenges and opportunities the Council is facing. We set out a summary of our understanding below.

Challenges/opportunities

1. Autumn Statement 2015 and financial health

- The Chancellor proposed that local government would have greater control over its finances, although this was accompanied by a 24% reduction in central government funding to local government over 5 years.
- Despite this increased control, the financial health of the sector is likely to become increasingly challenging.
- To date the Council has delivered the required savings. In 2016/17 the Council will have to make savings of £26.6m and the revised Medium Term Financial Strategy sets out a budget deficit of £47.8m by March 2020.

2. Devolution

- The Autumn Statement 2015 also included proposals to devolve further powers to localities.
- In Lancashire , Council Leaders have clearly indicated a wish for closer collaborative working across the County and requested that a Governance Review be undertaken to provide a framework.
- In September 2015 Lancashire Leaders accepted, in principle, to form a Combined Authority.

3. Integration with health sector

- Developments such as the increased scope of the Better Care Fund and transfer of responsibility for public health to local government are intended to increase integration between health and social care.
- The Council has a proven track record of working closely with health and care organisations .
- The Council contributes to the Healthier Lancashire" programme to secure improved and sustainable healthier outcomes .

4. Earlier closedown of accounts

- The Accounts and Audit Regulations 2015 require councils to bring forward the approval and audit of financial statements to 31 May and 31 July respectively by the 2017/18 financial year.
- In 2014/15 draft accounts were produced in advance of the 30 June deadline the Council have indicated that the 2015/16 draft financial statements will be produced by the end of May 2016.

Our response

1. We will:

- consider the Council's plans for addressing its financial position as part of our work to reach our VFM conclusion.

2.

- We will:
- consider your plans as part of the local devolution agenda in reaching our VFM conclusion.
- provide support and challenge to your plans, if appropriate, based on our knowledge of devolution elsewhere in the country.

3. We will:

- consider how the Council has reflected changes to its responsibilities in relation to public health and how it is working with partners, as part of our work in reaching our VfM conclusion.
- review the Council's treatment of entries relating to the Better Care Fund in its financial statements

4. We will:

- work with you to identify areas of your accounts production where you can learn from good practice in other authorities.
- complete all substantive work in our audit of your financial statements by 31 July 2016 as a 'dry run'

Developments and other requirements relevant to your audit

In planning our audit we also consider the impact of key developments in the sector and take account of national audit requirements as set out in the Code of Audit Practice and associated guidance.

Developments and other requirements

1. Fair value accounting

- A new accounting standard on fair value (IFRS 13) has been adopted and applies for the first time in 2015/16.
- This will have a particular impact on the valuation of surplus assets within property, plant and equipment which are now required to be valued at fair value in line with IFRS 13 rather than the existing use value of the asset.
- Investment property assets are required to be carried at fair value as in previous years.
- There are a number of additional disclosure requirements of IFRS 13.

2. Corporate governance

- The Accounts and Audit Regulations 2015 require local authorities to produce a Narrative Statement, which reports on your financial performance and use of resources in the year, and replaces the explanatory foreword.
- You are required to produce an Annual Governance Statement (AGS) as part of your financial statements.

3. Highways Network Assets

- Although you are not required to include Highways Network Assets until 2016/17, this will be a significant change to your financial statements and you will need to carry out valuation work this year.

4. Joint arrangements

- The Council is involved in numerous partnerships and arrangements that require pooled budgets such as the Better Care Fund. These arrangements will need to be considered and accounted for appropriately in the financial statements.
- The Council is continues to explore options for further innovative arrangements that will assist it achieve its objectives.

Our response

1. Fair value accounting

We will:

- keep the Council informed of changes to the financial reporting requirements for 2015/16 through ongoing discussions and invitations to our technical update workshops.
- discuss this with you at an early stage, including reviewing the basis of valuation of your surplus assets and investment property assets to ensure they are valued on the correct basis.
- review your draft financial statements to ensure you have complied with the disclosure requirements of IFRS 13.

2. Corporate governance

We will:

- review your Narrative Statement to ensure it reflects the requirements of the CIPFA Code of Practice when this is updated, and make recommendations for improvement.
- review your arrangements for producing the AGS and consider whether it is consistent with our knowledge of the Council and the requirements of CIPFA guidance.

3. Highways Network Assets

We will:

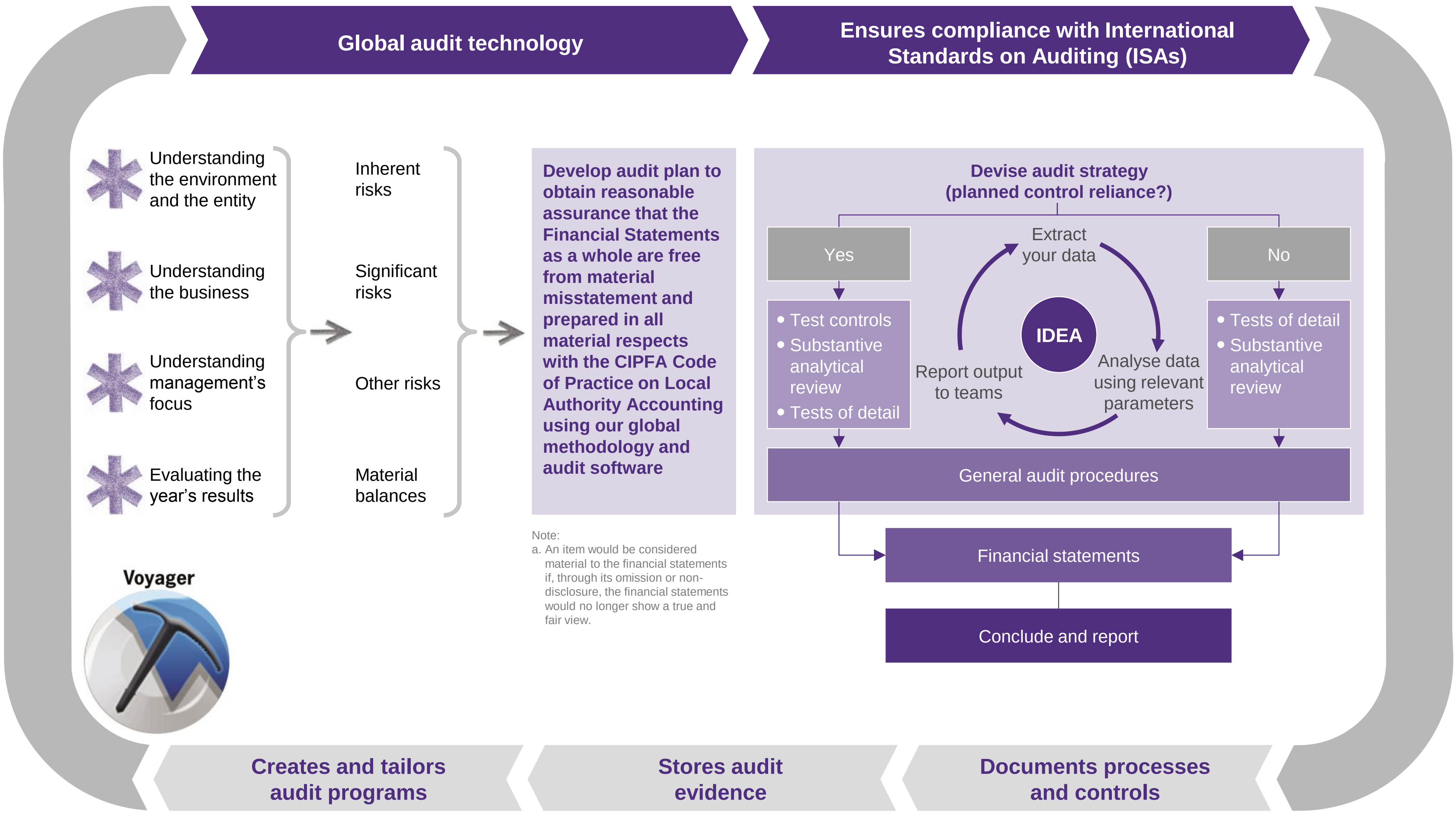
- discuss your plans for valuation of these assets at an early stage to gain an understanding of your approach and suggest areas for improvement.

4. Joint arrangements

We will:

- review your proposals for accounting for these arrangements against the requirements of the CIPFA Code of Practice.

Our audit approach



Note:
a. An item would be considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view.

Materiality

In performing our audit we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit. The standard states that 'misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements'.

As is usual in public sector entities we have determined materiality for the statements as a whole as a proportion of the gross revenue expenditure of the Council. For purposes of planning the audit we have determined overall materiality to be £8,878k (being 2% of gross revenue expenditure as it was in 2014/15) We will consider whether this level is appropriate during the course of the audit and will advise you if we revise this.

Under ISA 450, auditors also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulation of such amounts would have a material effect on the financial statements. "Trivial" matters are clearly inconsequential, whether taken individually or in aggregate and whether judged by any criteria of size, nature or circumstances. We have defined the amount below which misstatements would be clearly trivial to be £441k.

ISA 320 also requires auditors to determine separate, lower, materiality levels where there are 'particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users'.

We have identified the following items where, irrespective of value, we will undertake audit procedures as these are key figures/disclosures in the accounts.

Balance/transaction/disclosure	Explanation
Disclosures of officers' remuneration, salary bandings and exit packages in notes to the statements	Due to public interest in these disclosures and the statutory requirement for them to be made.
Members Allowances	Due to public interest in these disclosures and the statutory requirement for them to be made.
Disclosure of auditors' remuneration in notes to the statements	This is a statutory requirement and a requirement of ethical and auditing standards
Related Party Transactions	Due to public interest in these disclosures

Significant risks identified

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty" (ISA 315). In this section we outline the significant risks of material misstatement which we have identified. There are two presumed significant risks which are applicable to all audits under auditing standards (International Standards on Auditing - ISAs) which are listed below:

Significant risk	Description	Substantive audit procedures
The revenue cycle includes fraudulent transactions	Under ISA 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition. For this Council, we have concluded that the greatest risk of material misstatement relates to the occurrence/ existence of expenditure and payables.	Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Blackburn with Darwen Council, we have determined that the risk of fraud arising from revenue recognition for income and receivables can be rebutted, because: • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Blackburn with Darwen Council, mean that all forms of fraud are seen as unacceptable. We consider the risk for revenue recognition relates to occurrence/existence of expenditure and payables. **Further work planned:** • Identification and documentation of the processes and controls in place around expenditure at the Council • Testing of journal entries, control environment review and walkthrough • Testing of non pay expenditure as set out within 'Operating Expenses' on page 11 • Review of any unusual significant transactions
Management over-ride of controls	Under ISA 240 it is presumed that the risk of management over-ride of controls is present in all entities.	**Work completed to date:** • Discussion of likely accounting estimates, judgments and decisions made by management • Review of processes and controls over journal entries **Further work planned:** • Review of accounting estimates, judgments and decisions made by management • Testing of journal entries • Review of unusual significant transactions

Significant risks identified (continued)

Significant risk	Description	Substantive audit procedures
Valuation of property, plant and equipment	The Council revalues its assets on a rolling basis over a five year period . The Code requires that the Council ensures that the carrying value at the balance sheet date is not materially different from current value. The CIPFA Code of Practice has implemented IFRS 13 for the 2015/16 financial statements. The Council is required to include surplus assets within property, plant and equipment in its financial statements at fair value, as defined by IFRS13. The basis on which fair value is defined for investment property is also different to that used in previous years. These issues represent significant estimates and change in the estimation basis of these balances by management in the financial statements. There are also extensive disclosure requirements under IFRS 13 which the Council needs to comply with.	**Work planned:** • Review of management's processes and assumptions for the calculation of estimates. • Review of the competence, expertise and objectivity of any management experts used. • Review of the instructions issued to valuation experts and the scope of their work • Discussions with valuer about the basis on which the valuation is carried out and challenge of the key assumptions. • Review and challenge of the information used by the valuer to ensure it is robust and consistent with our understanding. • Testing of revaluations made during the year to ensure they are input correctly into the Council's asset register • Evaluation of the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value. • Review of the disclosures made by the Council in its financial statements to ensure they are in accordance with the requirements of the CIPFA Code of Practice and IFRS 13.
Valuation of pension fund net liability	The Council's pension fund asset and liability as reflected in its balance sheet represent significant estimates in the financial statements.	**Work planned:** • Identify the controls put in place by management to ensure that the pension fund liability is not materially misstated. • Assess whether the controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement. • Review the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We will gain an understanding of the basis on which the valuation is carried out. • Undertake procedures to confirm the reasonableness of the actuarial assumptions made. • Review the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary.

Other risks identified

"The auditor should evaluate the design and determine the implementation of the entity's controls, including relevant control activities, over those risks for which, in the auditor's judgment, it is not possible or practicable to reduce the risks of material misstatement at the assertion level to an acceptably low level with audit evidence obtained only from substantive procedures"(ISA (UK & Ireland) 315).

In this section we outline the other risks of material misstatement which we have identified as a result of our planning.

Other risks	Description	Audit approach
Operating expenses	Creditors understated or not recorded in the correct period (Operating expenses understated)	**Work completed to date:** • Documentation and identification of the processes and key controls within the operating expenses cycle; • Walkthrough of controls to confirm our understanding; and • Substantive testing of operating expenses for the period April to February 2016. **Further work planned:** • Complete substantive testing of operating expenses for the full financial year 2015-16; • Agreement of creditors to system balances and control account reconciliations; • Review and substantive testing of year end accruals and creditor balances, including confirmation that balances due have been settled after the year end; and • "Cut-off" testing to obtain assurance that creditors have been accounted for in the correct financial year.
Employee remuneration	Employee remuneration accruals understated (Remuneration expenses not correct)	**Work completed to date:** • Documented and identified the processes and key controls • Walkthrough of controls to confirm our understanding • Commenced substantive testing of in year payments made to employees for the 10 month period up to January 2016. Testing has covered both the Council own in house payroll and those in relations to its schools, processed by CAPITA **Further work planned:** • Review of payroll reconciliations including year end • Completion of early substantive testing plus additional substantive testing of payments made to employees for the period February to March 2016 • Use of analytical techniques to compare expected payroll costs with actual

Other risks identified (continued)

Other risks	Description	Audit approach
Welfare Benefit expenditure	Welfare benefit expenditure improperly computed	**Work completed to date:** • Documentation and identification of the processes and key controls within the Welfare benefits expenditure cycle • Walkthrough of controls to confirm our understanding After completing our documentation and walkthrough of controls we will determine what further testing may be necessary. **Possible further work planned:** • Reconciliation of welfare benefits expenditure system to the general ledger and financial statements • Housing benefit subsidy claim testing using Audit Commission HB COUNT approach.

Other risks identified (continued)

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in the previous section but will include:

- Heritage assets
- Assets held for sale and investment property
- Investments (long term and short term)
- Borrowing and other liabilities (long term and short term)
- Provisions
- Usable and unusable reserves
- Movement in Reserves Statement and associated notes
- Statement of cash flows and associated notes
- Financing and investment income and expenditure
- Taxation and non-specific grants
- Schools balances and transactions
- Segmental reporting note
- Officers' remuneration note
- Leases note
- Related party transactions note
- Capital expenditure and capital financing note
- Financial instruments note
- Collection Fund and associated notes

Other audit responsibilities

- We will undertake work to satisfy ourselves that disclosures made in the Annual Governance Statement are in line with CIPFA/SOLACE guidance and consistent with our knowledge of the Council.
- We will read the Narrative Statement and check that it is consistent with the statements on which we give an opinion and disclosures are in line with the requirements of the CIPFA Code of Practice.
- We will carry out work on consolidation schedules for the Whole of Government Accounts process in accordance with NAO instructions to auditors.
- We will give electors the opportunity to raise questions about the accounts and consider and decide upon objections received in relation to the accounts

Value for Money

Background

The Code requires us to consider whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VfM) conclusion.

The NAO issued its guidance for auditors on value for money work in November 2015. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place.

The NAO guidance identifies one single criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

This is supported by three sub-criteria as set out below:

Sub-criteria	Detail
Informed decision making	• Acting in the public interest, through demonstrating and applying the principles and values of good governance • Understanding and using appropriate cost and performance information to support informed decision making and performance management • Reliable and timely financial reporting that supports the delivery of strategic priorities • Managing risks effectively and maintaining a sound system of internal control
Sustainable resource deployment	• Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions • Managing assets effectively to support the delivery of strategic priorities • Planning, organising and developing the workforce effectively to deliver strategic priorities.
Working with partners and other third parties	• Working with third parties effectively to deliver strategic priorities • Commissioning services effectively to support the delivery of strategic priorities • Procuring supplies and services effectively to support the delivery of strategic priorities.

Value for money (continued)

Risk assessment

We have completed our initial risk assessment based on the NAO's guidance. In our initial risk assessment, we considered :

- our cumulative knowledge of the Council, including work performed in previous years in respect of the VfM conclusion and the opinion on the financial statements.
- the findings of other inspectorates and review agencies, including the Care Quality Commission and Ofsted.
- any illustrative significant risks identified and communicated by the NAO in its Supporting Information.
- any other evidence which we consider necessary to conclude on your arrangements.

We set out below the significant risks we have identified as a result of our initial risk assessment and the work we propose to address these risks.

Significant risk	Link to sub-criteria	Work proposed to address
Financial position and future year savings The Council's medium term financial strategy (MTFS) has now been updated and developed to cover the period 2016– 2020 .This MTFS sets out clearly the challenging financial position the Council faces with an anticipated funding gap of £47.8 million over the four years of the plan. As part of the budget setting process for 2016/17, the Council reviewed the delivery of the 2015/16 savings plans. This review resulted in revision of the anticipated level of savings required up from £12.7m this time last year to £26.6m by March 2017. Plans and identified savings are in place setting out how the required financial position will be achieved. Progress in delivery will be monitored through existing arrangements that the Council have recently strengthened. The Executive Finance Steering Group has been established, chaired by the Chief Executive, to oversee delivery of the savings targets. The delivery of the required savings and the establishment of revised financial governance arrangements represent a significant challenge to the Council.	The ability to achieve the required financial savings depends on the Council planning finances effectively to support the sustainable delivery of strategic priorities and using appropriate cost and performance information to support informed decision making. The revision and development of appropriate financial governance arrangements links to the Council clearly needing to demonstrate and apply the principles of sound governance.	We will: • review the Council's arrangements for identifying and agreeing savings plans alongside the communication of key findings to the Executive Board and Council. • review the financial governance arrangements established by the Council and consider how the Council is managing and monitoring these key financial risks.

Reporting

The results of our VfM audit work and the key messages arising will be reported in our Audit Findings Report and Annual Audit Letter. We will include our conclusion as part of our report on your financial statements which we will give by 30 September 2016.

Results of interim audit work

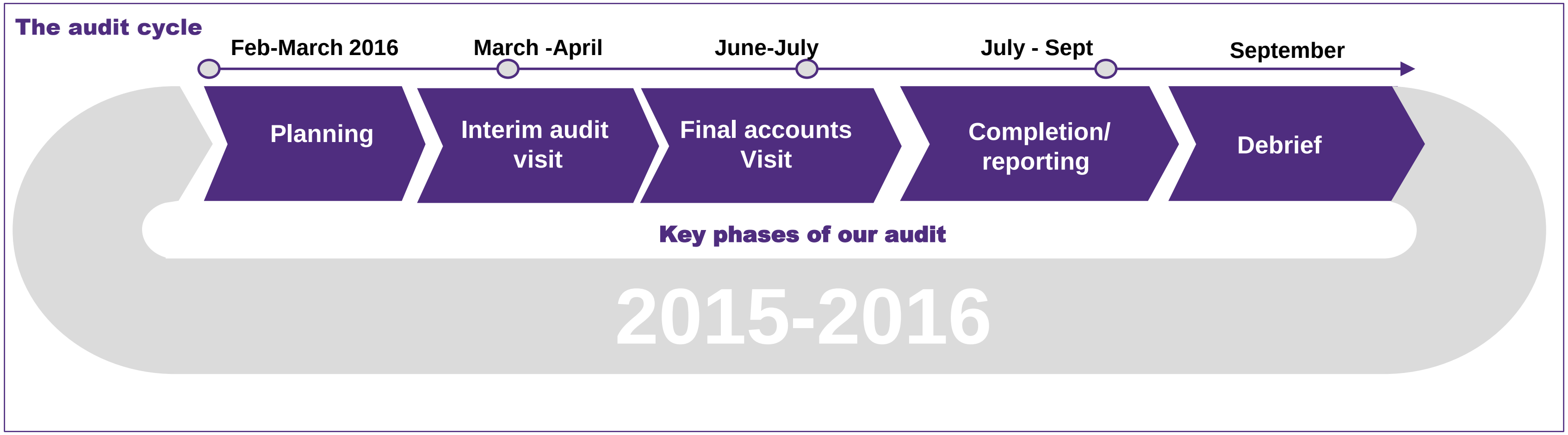
The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

	Work performed	Conclusion
Internal audit	We have commenced a high level review of Internal Audit's overall arrangements.	Our work to date has not identified any issues which we wish to bring to your attention. We will update the Audit Committee on the results of our work later in the year.
Entity level controls	We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including: • Communication and enforcement of integrity and ethical values • Commitment to competence • Participation by those charged with governance • Management's philosophy and operating style • Organisational structure • Assignment of authority and responsibility • Human resource policies and practices	Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements
Journal entry controls	We have reviewed the Council's journal entry policies and procedures as part of determining our journal entry testing strategy.	Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements. We will complete our detailed testing of journal entries as part of our audit of the financial statements.
Walkthrough testing	We have commenced our walkthrough tests of the Council's controls operating in areas where we consider that there is a risk of material misstatement to the financial statements. This testing includes employee remuneration, operating expenses and Housing Benefit Expenditure.	Our work completed to date has not identified any weaknesses which impact on our audit approach. We will update the Audit Committee on the results of our work later in the year.

Results of interim audit work (continued)

	Work performed	Conclusion
Early substantive testing	We have commenced early substantive testing on revenues, employee remuneration and operating expenses covering either the first nine or ten months of the 2015-16 financial year.	Our testing to date has not identified any issues that we need to bring to your attention. We will complete additional testing covering the remaining months of the year as part of the accounts audit in June/July 2016 and report our findings in the Audit Findings Report.

Key dates



Date	Activity
Feb-March 2016	Planning
March-April	Interim site visit
12 April	Presentation of audit plan to Audit Committee
June-July	Year end fieldwork
July	Audit findings clearance meeting with Director of Finance
September	Report audit findings to those charged with governance (Audit Committee)
By September 30	Sign financial statements opinion

Fees and independence

Fees

	£
Council audit	102,839
Grant certification	15,413
Total audit fees (excluding VAT)	**118,252**

Fees for other services

Service	Fees £
Audit related services:	
• Certification of Teachers Pension Return	4,200
Non-audit services	**nil**

Our fee assumptions include:

- Supporting schedules to all figures in the accounts are supplied by the agreed dates and in accordance with the agreed upon information request list.
- The scope of the audit, and the Council and its activities, have not changed significantly.
- The Council will make available management and accounting staff to help us locate information and to provide explanations.
- The accounts presented for audit are materially accurate, supporting working papers and evidence agree to the accounts, and all audit queries are resolved promptly.

Grant certification

- Our fees for grant certification cover only housing benefit subsidy certification, which falls under the remit of Public Sector Audit Appointments Limited
- Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services'.

Fees for other services

Fees for other services reflect those agreed at the time of issuing our Audit Plan. Any changes will be reported in our Audit Findings Report and Annual Audit Letter

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

Full details of all fees charged for audit and non-audit services will be included in our Audit Findings Report at the conclusion of the audit.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

Communication of audit matters with those charged with governance

International Standards on Auditing (UK & Ireland) (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

This document, The Audit Plan, outlines our audit strategy and plan to deliver the audit, while The Audit Findings Report will be issued prior to approval of the financial statements and will present key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to the Council.

Respective responsibilities

This plan has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (http://www.psaa.co.uk/appointing-auditors/terms-of-appointment/)

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO and includes nationally prescribed and locally determined work (https://www.nao.org.uk/code-audit-practice/about-code/). Our work considers the Council's key risks when reaching our conclusions under the Code.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to the auditor's report, or emphasis of matter		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern		✓

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