Agenda Item No:	**5**	
Committee:	Corporate Governance Committee	
Date:	20 November 2018	
Report Title:	Annual Audit Letter 2017/18	

Cover sheet:

1 Purpose / Summary

To receive the independent external auditors, Ernst &Young (EY), Annual Audit Letter for 2017/18.

2 Key issues

- The external audit findings for 2017/18 have been reported to the Corporate Governance Committee throughout the year. The Annual Audit Letter summarises the results of the audit work for members of the Council.
- For 2017/18, there was a significant change in the statutory deadlines for the preparation (31 May 2018) and approval (31 July 2018) of the accounts. Both of these new deadlines were met and EY reported an unqualified opinion on the 2017/18 accounts. This is a significant achievement for the Council.
- In all significant respects the Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources and an unqualified value for money conclusion has been given.
- As part of the result of a review at EY the external auditor Mr. Neil Harris is moving on to another region to be replaced by Mr. Mark Hodgson of EY for the audit from 2018/19. Mr. Hodgson's CV is attached at Appendix A. It is expected that either Mr. Harris or Mr. Hodgson will be in attendance at the meeting.

3 Recommendations

- It is recommended that Members:

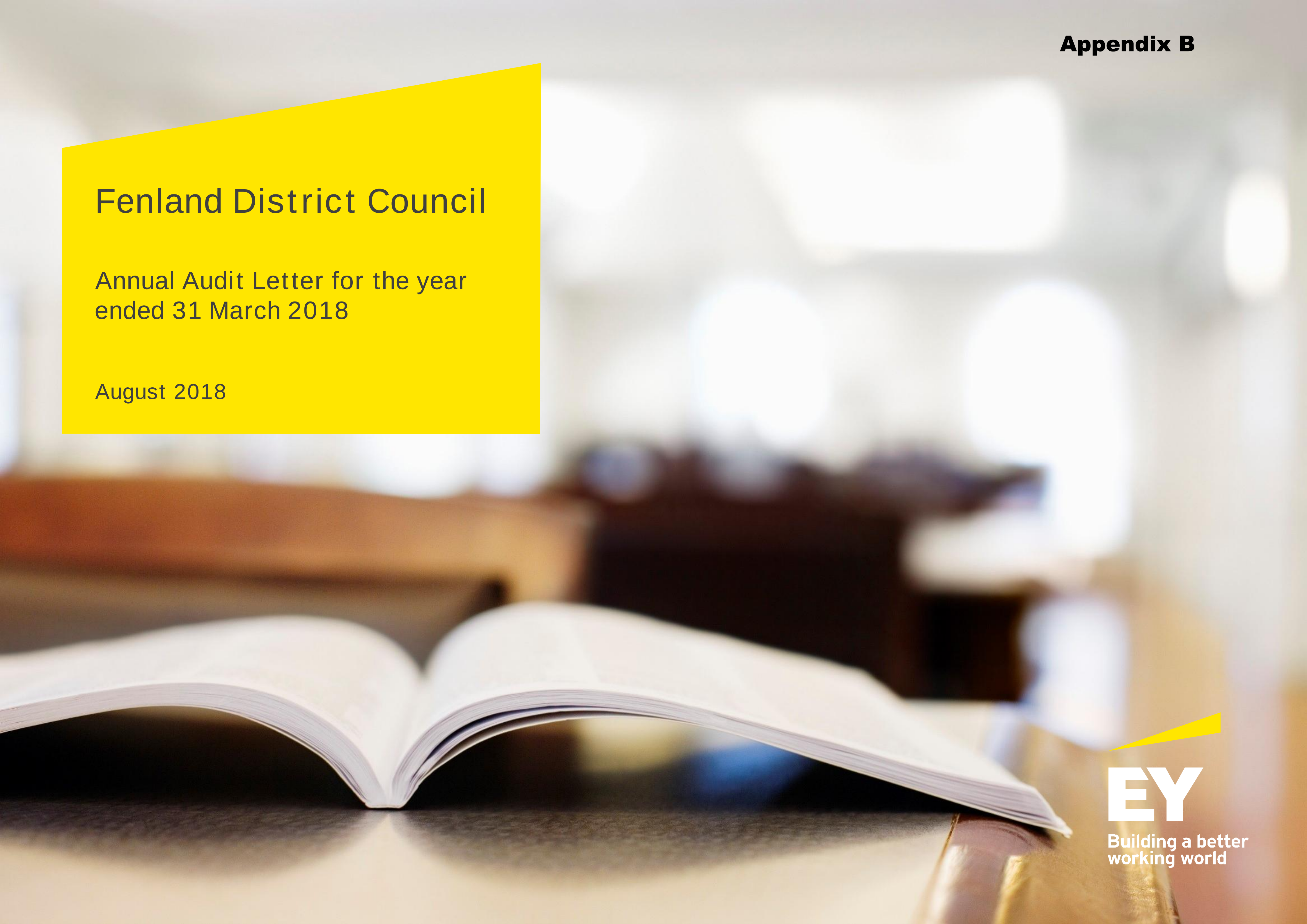
(i) receive and consider the report;

(ii) note the change in the external auditor for the audit from 2018/19.

Wards Affected	All
Forward Plan Reference	N/A
Portfolio Holder(s)	Cllr John Clark, Chairman of Corporate Governance Committee Cllr Anne Hay, Portfolio Holder, Finance
Report Originator(s)	Kamal Mehta, Interim Corporate Director and Chief Finance Officer Mark Saunders, Chief Accountant

Contact Officer(s)	Kamal Mehta, Interim Corporate Director and Chief Finance Officer Mark Saunders, Chief Accountant
Background Paper(s)	2017/18 Audit Results Report (ISA260)

Appendix B



Fenland District Council

Annual Audit Letter for the year ended 31 March 2018

August 2018

EY
Building a better working world

Contents

Public Sector Audit Appointments Ltd (PSAA) have issued a ‘Statement of responsibilities of auditors and audited bodies’. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The ‘Terms of Appointment (updated 23 February 2017)’ issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

01 Executive Summary

Executive Summary

We are required to issue an annual audit letter to Fenland District Council (the Council) following completion of our audit procedures for the year ended 31 March 2018.

Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's: ► Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Council as at 31 March 2018 and of its expenditure and income for the year then ended
► Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts.
Concluding on the Council's arrangements for securing economy, efficiency and effectiveness	We concluded that you have put in place proper arrangements to secure value for money in your use of resources

Area of Work	Conclusion
Reports by exception:	
► Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Council.
► Public interest report	We had no matters to report in the public interest.
► Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report.
► Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	The Council is below the specified audit threshold of £500mn. Therefore, we did not perform any audit procedures on the consolidation pack.

Executive Summary (cont'd)

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 27th July 2018.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 30th July 2018.

In December 2018 we will also issue a report to those charged with governance of the Council summarising the certification work we have undertaken.

We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work.

Neil Harris

Associate Partner

For and on behalf of Ernst & Young LLP

02 Purpose and Responsibilities

Purpose and Responsibilities

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Council.

We have already reported the detailed findings from our audit work in our 2017/18 Audit Results Report to the 27th July 2018 Corporate Governance Committee, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.

Responsibilities of the Appointed Auditor

Our 2017/18 audit work has been undertaken in accordance with the Audit Plan that we issued on 7th February 2018 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- Expressing an opinion:
  - On the 2017/18 financial statements; and
  - On the consistency of other information published with the financial statements.
- Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- Reporting by exception:
  - If the annual governance statement is misleading or not consistent with our understanding of the Council;
  - Any significant matters that are in the public interest;
  - Any written recommendations to the Council, which should be copied to the Secretary of State; and
  - If we have discharged our duties and responsibilities as established by thy Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on you Whole of Government Accounts return. The Council is below the specified audit threshold of £500mn. Therefore, we did not perform any audit procedures on the return.

Undertaking any other work specified by the Code of Audit Practice or the Public Sector Audit Appointments Limited (PSAA).

Responsibilities of the Council

The Council is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement. In the AGS, the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

03 Financial Statement Audit

Financial Statement Audit

Key Issues

The Council’s Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Council’s Statement of Accounts in line with the National Audit Office’s 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office and issued an unqualified audit report on 30th July 2018.

Our detailed findings were reported to the July 2018 Corporate Governance Committee.

The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
Misstatements due to fraud or error & Risk of fraud in revenue and expenditure recognition Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. The financial statements as a whole are not free of material misstatements whether caused by fraud or error. As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement. Having considered each of the streams during our interim visit, we have concluded that, in view of our understanding of the revenue and expenditure streams, the risk of material misstatement arising from inappropriate expenditure recognition in respect to NNDR Appeals Provision calculation has a high likelihood of occurrence and is likely to be of a size which would be material to the users of the financial statements. This is because of the extent of estimation and judgement that management, with specialist support, need to calculate the provision and the impact on the Council’s provisioning of the new 2017 rateable value listing. We have therefore been unable to rebut the risk of fraud in revenue and expenditure recognition.	Our area of focus was on inappropriate valuation of NNDR appeals provision. Our approach has focused on: • Undertook procedures to review the Council's methodology to assess the level of NDR appeals and the subsequent provision. • Review the calculation of the NDR appeals provision to supporting evidence, and assess the reasonableness of the calculation, ensuring it has been prepared in accordance with associated guidance and complying with IAS37. • Recalculate the appeals provision, as appropriate, to ensure accuracy. • Confirm the Council has correctly identified their share of the provision within their provision note. Our testing has not identified any material misstatements from revenue and expenditure recognition. Overall our audit work has not identified any material issues or unusual transactions to indicate any misreporting of the Council’s financial position

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Significant Risk	Conclusion
Valuation of Council's Leisure Centres One of the Council's key strategic developments is the externalization of its Leisure Centres. These change in value every year. As such, the Council might have an incentive in maximizing the value of the asset to increase the proceeds that would come with externalization. The inherent risk assessment for Land and Buildings valuation is already high, and there is an inherent risk with the valuation of Land and Buildings. However, EY Estates raised some concerns in the prior year regarding the methodology used by the council's valuer, Wilkes, Head and Eve which we reported to the Corporate Governance Committee in our 2016-2017 Audit Results Report in September 2017. We were able to perform additional audit procedures on the valuation assumptions to conclude that the valuation of the Leisure Centres in 2016-2017 financial year was within a reasonable range in the context of our materiality levels.	Our approach has focused on: • Considering the work performed by the Council's valuer, Wilks, Head and Eve (WHE), including the adequacy of the scope of the work performed, their professional capabilities and the results of their work; • Reviewing and sample testing the Council's Leisure Centres information provided by the Council to WHE in performing their valuation (e.g. floor plans to support valuations based on price per square metre); • Considering external evidence of Leisure Centre values via reference to the NAO commissioned Local Government Gerald Eve report. Specifically we have considered if this indicates any material variances to the asset valuations performed by WHE and the desktop review by management; • Considering changes to useful economic lives as a result of the most recent valuation; • Testing that the accounting entries have been correctly processed in the financial statements, including the treatment of impairments. We identified that the valuer had incorrectly included 3G all weather pitches at the Hudson and Manor leisure centres in their valuations. The finance team confirmed that the all weather pitch at the Hudson is not owned by the Council and the facility at the Manor is not a 3G all weather pitch. The finance team obtained a revised valuation from the valuer which excluded the all weather pitches and the associated land on the Hudson site. This resulted in a total reduction of £1,234K in the value of the leisure centres. The finance team have amended the financial statements to incorporate the new valuations. We can confirm the appropriate amendments have been made. We are satisfied that the Council's accounts will present a true and fair picture of the subjective nature of valuations.

Financial Statement Audit (cont’d)

The key issues identified as part of our audit were as follows: (cont’d)

Other Key Findings	Conclusion
The fair value of Property, Plant and Equipment (PPE) and Investment Properties (IP) represent significant balances in the Authority’s accounts and are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.	Our approach has focused on: • Considering the work performed by the Authority’s valuer, Wilks, Head and Eve (WHE), including the adequacy of the scope of the work performed, their professional capabilities and the results of their work; • Reviewing and sample testing the key asset information provided by the Authority to WHE in performing their valuation (e.g. floor plans to support valuations based on price per square metre); • Considering the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code. We have also considered whether any specific changes to assets (which would impact its value) have been communicated to the valuer; • Reviewing the desktop review performed by management over assets not subject to valuation in 2017/18 to confirm that the remaining asset base is not materially misstated; • Considering external evidence of asset values via reference to the NAO commissioned Local Government Gerald Eve report. Specifically we have considered if this indicates any material variances to the asset valuations performed by WHE and the desktop review by management; • Considering changes to useful economic lives as a result of the most recent valuation; • Considering whether asset categories held at cost have been assessed for impairment and are materially correct; and • Testing that the accounting entries have been correctly processed in the financial statements, including the treatment of impairments. Our testing has not identified any material misstatements from valuation of PPE or IP.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Other Key Findings	Conclusion
The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Cambridgeshire County Council. The Authority's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Authority's balance sheet.	Our approach has focused on: • Liaising with the auditors of Cambridgeshire Pension Fund, BDO, to obtain assurances over the information supplied to the actuary in relation to Fenland District Council; • Assessing the work of the Pension Fund actuary (Hymans) including the assumptions they have used by relying on the work of PWC – Consulting Actuaries commissioned by the NAO for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team; and • Reviewing and testing the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19. Having received our assurance from the pension fund auditor a difference was identified between the actuary's report which was produced from the December 2017 valuation, from which the Council prepared its accounts, and the revised actuary report produced from the March 2018 valuation. The council's share of this difference was £974k. We are satisfied that the Council's accounts will present a true and fair picture of the subjective nature of pension liability. The misstatement does not impact cash nor the outturn for the year.
IFRS 15 implementation: A new accounting standard relating to revenue from contracts comes into effect on 1 April 2018.	The Authority has undertaken an assessment of its implications and given the nature of the Authority's income streams, it has concluded that IFRS 15 is unlikely to have a material impact on the single entity financial statements of the Authority. We concur with the Authority's initial assessment.

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

Financial Statement Audit (cont'd)

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	We determined planning materiality to be £1.1mn (2016/17: £1.0mn), which is 2% of gross expenditure reported in the accounts of £52.1 million adjusted for parish precepts of £1.2m, Levies of £1.4m and tax support grant and interest payable of £0.6m. We consider gross expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.
Reporting threshold	We agreed with the Corporate Governance Committee that we would report to the Committee all audit differences in excess of £55k (2016/17: £55k)

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- Remuneration disclosures including any severance payments, exit packages and termination benefits: We select a sample based on auditor judgement (taking into account any prior year findings) and agree the disclosure back to supporting documentation.
- Related party transactions: We have reviewed all returns made by senior management and members to ensure consistency between the returns and accounts. Where related parties have been identified we ensure that the amount disclosed in the accounts is consistent with the accounts payable and accounts receivable system.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations. We identified some presentational and disclosure issues which have been adjusted by management, and are not detailed in this report.

04 Value for Money

Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

The tables below present the findings of our work in response to the risks identified and any other significant weaknesses or issues to bring to your attention.

We have performed the procedures outlined in our audit plan. We did not identify any significant weaknesses in the Council's arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

Value for Money (cont'd)

We therefore issued an unqualified value for money conclusion on 30th July 2018.

Significant Risk	Conclusion
Councils are funded by grants from central government and locally raised revenue from council tax and business rates or from fees, charges, or other revenue generating activities. Since 2010/11 funding for Councils from central government has reduced and further reductions for the period 2017/18 to 2020/21 are likely. The Council is taking action to address longer term financial resilience issues identified in the Medium Term Financial Strategy. Achieving the 2017/18 budget will be reliant on savings plans of £601k being realised.	Our approach was to review the adequacy of the Council's arrangements for: • Delivery of the Council's 2017/18 savings plans and linkages to delivery of longer-term transformational change; • Identification of and review of the Council's 2018/19 financial plan; • Development of its longer-term financial strategy in the light of the local and wider financial pressures, including the robustness of assumptions; and • Consider the arrangements the Council is putting in place to review the options for the externalisation of its leisure centres. The 2018/19 budget is balanced, through the use of efficiencies and income plans. Although we are only part way through the financial year, we assessed these as reasonably-based taking into account the Council's track record of delivering savings over the recent financial periods. While incrementally savings can become harder to achieve over time, the Council's performance in delivering its plans gives confidence that it can continue to do so. We also reviewed the key assumptions in the budget and MTFS, which adequately took into account the economic environment at that time for business rate projections, and the forecast for reduced central government funding and the potential settlement. Our review of the budget setting process, assumptions used in financial planning, in year financial monitoring, and the Council's history of delivery has not identified any significant matters that we wish to report to you.
The Accounts and Audit Regulations 2015 introduced a significant change in statutory deadlines from the FY18 financial year. From that year the timetable for the preparation and approval of accounts will be brought forward with draft accounts needing to be prepared by 31 May 2018 and the publication of the audited accounts by 31 July 2018. The risk here is whether or not the Council puts in place all the appropriate arrangements to ensure its financial reporting processes enable the closure of accounts, production of financial statements and supporting working papers by the faster closure timetable.	As detailed in the audit plan taken to committee 7 February 2018 with the help of the finance team procedures were put in place in order to ensure that the deadline of 31 July was met. The Client Portal was set up which provided a clearer list of requested working papers enabling both EY and the Council the ability to efficiently track request. It also facilitate the request of further evidence requested to ensure both EY and the Council are aware of any outstanding items. Interim audit work undertaken in January/February 2018 and early testing undertaken in May 2018 which enabled to us to complete some areas of the audit as presented to you in our report taken to committee 19 June 2018. The Authority met the shortened deadline. Very few audit differences have been identified to date which reflects the high quality of the financial statements and supporting working papers. The finance team have provided the supporting working papers we need and the audit deadline of 31 July 2018 was met. We will again arrange a team debrief after the deadline, with the audit team and finance team, to highlight improvement areas for both teams.

05 Other Reporting Issues

Other Reporting Issues

Whole of Government Accounts

We performed the procedures required by the National Audit Office on the accuracy of the consolidation pack prepared by the Council for Whole of Government Accounts purposes. We had no issues to report.

The Council is below the specified audit threshold of £500mn. Therefore, we did not perform any audit procedures on the consolidation pack.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Objections Received

We did not receive any objections to the 2017/18 financial statements from members of the public.

Other Reporting Issues (cont'd)

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Corporate Governance Committee on 27th July 2018. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive approach and have therefore not tested the operation of controls.

Our audit did not identify any controls issues to bring to the attention of the Corporate Governance Committee.

Appendix B

06 Focused on your future

Focused on your future

The Code of Practice on Local Authority Accounting in the United Kingdom introduces the application of new accounting standards in future years. The impact on the Council is summarised in the table below.

Standard	Issue	Impact
IFRS 9 Financial Instruments	Applicable for local authority accounts from the 2018/19 financial year and will change: • How financial assets are classified and measured; • How the impairment of financial assets are calculated; and • The disclosure requirements for financial assets. There are transitional arrangements within the standard and the 2018/19 Accounting Code of Practice for Local Authorities has now been issued, providing guidance on the application of IFRS 9. In advance of the Guidance Notes being issued, CIPFA have issued some provisional information providing detail on the impact on local authority accounting of IFRS 9, however the key outstanding issue is whether any accounting statutory overrides will be introduced to mitigate any impact.	Although the Code has now been issued, providing guidance on the application of the standard, along with other provisional information issued by CIPFA on the approach to adopting IFRS 9, until the Guidance Notes are issued and any statutory overrides are confirmed there remains some uncertainty. However, what is clear is that the Council will have to: • Reclassify existing financial instrument assets • Re-measure and recalculate potential impairments of those assets; and • Prepare additional disclosure notes for material items.
IFRS 15 Revenue from Contracts with Customers	Applicable for local authority accounts from the 2018/19 financial year. This new standard deals with accounting for all contracts with customers except: • Leases; • Financial instruments; • Insurance contracts; and • For local authorities; Council Tax and NDR income. The key requirements of the standard cover the identification of performance obligations under customer contracts and the linking of income to the meeting of those performance obligations. Now that the 2018/19 Accounting Code of Practice for Local Authorities has been issued it is becoming clear what the impact on local authority accounting will be. As the vast majority of revenue streams of Local Authorities fall outside the scope of IFRS 15, the impact of this standard is likely to be limited.	As with IFRS 9, some provisional information on the approach to adopting IFRS 15 has been issued by CIPFA in advance of the Guidance Notes. Now that the Code has been issued, initial views have been confirmed; that due to the revenue streams of Local Authorities the impact of this standard is likely to be limited. The standard is far more likely to impact on Local Authority Trading Companies who will have material revenue streams arising from contracts with customers. The Council will need to consider the impact of this on their own group accounts when that trading company is consolidated.

Focused on your future (cont'd)

Standard	Issue	Impact
IFRS 16 Leases	It is currently proposed that IFRS 16 will be applicable for local authority accounts from the 2019/20 financial year. Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for local authorities who lease a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet. There are transitional arrangements within the standard and although the 2019/20 Accounting Code of Practice for Local Authorities has yet to be issued, CIPFA have issued some limited provisional information which begins to clarify what the impact on local authority accounting will be. Whether any accounting statutory overrides will be introduced to mitigate any impact remains an outstanding issue.	Until the 2019/20 Accounting Code is issued and any statutory overrides are confirmed there remains some uncertainty in this area. However, what is clear is that the Council will need to undertake a detailed exercise to identify all of its leases and capture the relevant information for them. The Council must therefore ensure that all lease arrangements are fully documented.

Appendix B

07 Audit Fees

Audit Fees

Our fee for 2017/18 is inline with the scale fee set by the PSAA and reported in our 27th July 2018 Annual Results Report.

Description	Final Fee 2017/18 £	Planned Fee 2017/18 £	Scale Fee 2017/18 £	Final Fee 2016/17 £
Total Audit Fee – Code work	49,186	49,186	49,186	52,186
Total Audit Fee – Certification of claims and returns	TBC*	14,262	14,262	16,388
Total Audit Fee – Port Authority work	TBC*	2,600	0	1,567

*The final fee for the 2017/18 grant claim and port authority work is still to be quantified. However, we currently anticipate no increase in fee above the scale fee for the port authority work. There may be additional fees in respect to the grant claim work subject to no additional errors being identified as part of the initial testing.

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ED None

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