External Audit Plan

Year ending 31 March 2018

High Peak Borough Council

14 February 2018

Contents

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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 planning 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.

Introduction & headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of High Peak Borough Council ('the Council') for those charged with governance. We will report any updates or changes to our risk assessments arising from our interim audit visits as part of our 'Interim Progress Report'.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of High Peak Borough Council. We draw your attention to both of these documents on the PSAA website.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the:

- financial statements (including the Annual Governance Statement) that have been prepared by management with the oversight of those charged with governance (the Audit and Regulatory Committee); and
- Value for Money arrangements in place at the Council for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the Audit and Regulatory Committee of your responsibilities. 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 audit approach is based on a thorough understanding of the Council's business and is risk based.

Significant risks	Those risks requiring specific audit consideration and procedures to address the likelihood of a material financial statement error have been identified as: • The revenue cycle includes fraudulent transactions • Management over-ride of controls • Valuation of property, plant and equipment • Valuation of pension fund net liability We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.
Materiality	We have determined planning materiality to be £1.021m (PY £1.021m), which equates to 2% of your 2016/17 gross expenditure (cost of services) for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £51,050 (consistent with prior year).
Value for Money arrangements	Our risk assessment regarding your arrangements to secure value for money have identified no VFM significant risks, that require further specific audit consideration and procedures, to address the likelihood that proper arrangements are not in place at the Council to deliver value for money.
Audit logistics	Our interim visit will take place in March and our final visit will take place in June - July. Our key deliverables are this Audit Plan and our Audit Findings Report. Our fee for the audit will be no less than £47,273 (consistent with the prior year) for the Council.
Independence	We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Deep business understanding

Changes to service delivery

Commercialisation

We see the scale of investment activity, primarily in commercial property, increase as local authorities seek to maximise income generation. These investments are often discharged through a company, partnership or other investment vehicle.

Local authorities need to ensure that their commercial activities are presented appropriately, in compliance with the CIPFA Code of Practice and statutory framework, such as the Capital Finance Regulations. Where borrowing to finance these activities, local authorities need to comply with CIPFA's Prudential Code. A new version is published in December 2017.

Joint Venture

The Council has set up a joint venture Alliance Environment Services, set up with its alliance partner and ANSA, a Cheshire East Council company. There is a phased programme for transition of waste and street scene services to this new Company from August 2017.

This project is part of the efficiency and rationalisation strategy which now sees the Council focusing on the operation of a number services where contractual commitments come to an end, covering:

- waste and street services
- operation of leisure centres
- facilities management.

These changes are key to the delivery of the medium term financial plan (MTFP).

The Council needs to ensure its governance and accounting arrangements comply with the Code and statutory framework.

Changes to financial reporting requirements

Accounts and Audit Regulations 2015 (the Regulations)

The Department of Communities and Local Government (DCLG) is currently undertaking a review of the Regulations, which may be subject to change. The date for any proposed changes has yet to be confirmed, so it is not yet clear or whether they will apply to the 2017/18 financial statements.

Under the 2015 Regulations local authorities are required to publish their accounts along with the auditors opinion by 31 July 2018.

Changes to the CIPFA 2017/18 Accounting Code

CIPFA have introduced other minor changes to the 2017/18 Code which confirm the going concern basis for local authorities. We have set out the changes to auditing standards relating to Going Concern matters in appendix A

The Code also provide updates for Leases, Service Concession arrangements and financial instruments.

Key challenges

Financial pressures

The Council set a net budget for 2017/18 of £10.279m, including a net contribution of £0.547m from reserves, (smoothing timing differences in the delivery of the Efficiency Programme) and the achievement of £0.661m of such savings in year.

Reporting for Quarter 2 in December 2017 indicated that the Council is on course to meet the overall savings requirements for the year and that there will be a surplus against budget of approximately £1.079m enabling a contribution to reserves of £0.532m .

The proposals of the MTFP (December 2017) set out a proposed net revenue budget for 2018/19 of £10.902m and a Council Tax increase of 1.9%,along with the inclusion of an efficiency and rationalisation target of £0.581m and a drawdown of £1.957m from reserves to produce a balanced budget. The proposed housing revenue account budget also indicates a surplus of £0.491m, reflecting the 1% reduction in HRA dwelling rents and a rationalisation plan of £0.810m.

This draw down from reserves is consistent with expectations given that the efficiency programme has a longer lead in time and that there was a planned use of reserves to support this transition. We expect the Council to maintain the level of reserves at an appropriate level, ensure that strategy does not place the Council at undue risk and that the retained balance remains in line with the Council's reserve policy.

Our response

- We have identified no VFM significant risks at this time but will continue to keep under review your arrangements for managing and reporting your financial resources and for working with partners, as part of the ongoing work in reaching our Value for Money conclusion.
- We will consider whether your financial position leads to uncertainty about the going concern assumption and will review any related disclosures in the financial statements.
- We will keep you informed of changes to the Regulations and any associated changes to financial reporting or public inspection requirements for 2017/18 through on-going discussions and invitations to our technical update workshops.
- As part of our opinion on your financial statements, we will consider whether your financial statements reflect the financial reporting changes in the 2017/18 CIPFA Code.
- We will consider the progress you have made against previously agreed recommendations relating to IT controls.

Significant risks identified

Significant risks are defined by professional standards as risks that, in the judgement of the auditor, require special audit consideration because they have a higher risk of material misstatement. Such risks often relate to significant non-routine transactions and judgmental matters. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
The revenue cycle includes fraudulent transactions	Under ISA (UK) 240 there is a rebuttable 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.	Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Council, we have determined that the risk of fraud arising from revenue recognition 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 High Peak Borough Council, mean that all forms of fraud are seen as unacceptable Therefore we do not consider this to be a significant risk for High Peak Borough Council.
Management over-ride of controls	Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. . The Council faces external scrutiny of its spending, and this could potentially place management under undue pressure in terms of how they report performance. Management over-ride of controls is a risk requiring special audit consideration.	We will: • gain an understanding of the accounting estimates, judgements applied and decisions made by management and consider their reasonableness • obtain a full listing of journal entries, identify and test unusual journal entries for appropriateness • evaluate the rationale for any changes in accounting policies or significant unusual transactions.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of property, plant and equipment	The Council revalues its land and buildings every five years, to ensure that carrying value is not materially different from fair value. This represents a significant estimate by management in the financial statements. We identified the valuation of land and buildings revaluations and impairments as a risk requiring special audit consideration. .	We will: • review management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work • consider the competence, expertise and objectivity of any management experts used. • discuss with the valuer about the basis on which the valuation is carried out and challenge the key assumptions. • review and challenge the information used by the valuer to ensure it is robust and consistent with our understanding. • test revaluations made during the year to ensure they are input correctly into the Council's asset register • evaluate 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.
Valuation of pension fund net liability	The Council's pension fund asset and liability as reflected in its balance sheet represent a significant estimate in the financial statements. We identified the valuation of the pension fund net liability as a risk requiring special audit consideration.	We will: • identify the controls put in place by management to ensure that the pension fund liability is not materially misstated and assess whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement • evaluate the competence, expertise and objectivity of the actuary who carried out your pension fund valuation • gain an understanding of the basis on which the valuation is carried out • undertake procedures to confirm the reasonableness of the actuarial assumptions made • check the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary.

Reasonably possible risks identified

Reasonably possible risks (RPRs) are, in the auditor's judgment, other risk areas which the auditor has identified as an area where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for an RPR is lower than that for a significant risk, and they are not considered to be areas that are highly judgmental, or unusual in relation to the day to day activities of the business.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Employee remuneration	Payroll expenditure represents a significant percentage - approximately 21% - of the Council's operating expenses. As the payroll expenditure comes from a number of individual transactions and an interface between the payroll and ledger systems, there is a risk that payroll expenditure in the accounts could be understated. We therefore identified completeness of payroll expenses as a risk requiring particular audit attention	We will • evaluate the Council's accounting policy for recognition of payroll expenditure for appropriateness • gain an understanding of the Council's system for accounting for payroll expenditure and evaluate the design of the associated controls • review year-end payroll reconciliation and check that amounts in the accounts are reconciled to ledger and through to payroll reports • agree payroll related accruals (e.g. unpaid leave accrual) to supporting documents.
Operating expenses	Non-pay expenses on other goods and services also represents a significant percentage 67% of the Council's operating expenses. Management uses judgement to estimate accruals of un-invoiced costs. We identified completeness of non- pay expenses as a risk requiring particular audit attention:	We will: • evaluate the Council's accounting policy for recognition of non-pay expenditure for appropriateness • gain an understanding of the Council's system for accounting for non-pay expenditure and evaluate the design of the associated controls • document the accruals process and challenge underlying assumptions, source date and basis for calculation • test a sample of payments and ensure that they have been charged in the appropriate year • review the year end accounts payable reconciliation and investigate significant reconciling items.

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with the guidance issued and consistent with our knowledge of the Council.
- We will read your Narrative Statement and check that it is consistent with the financial statements on which we give an opinion and that the disclosures included in it are in line with the requirements of the CIPFA Code of Practice.
- We anticipate that the Council will be below the audit threshold and so there will be no requirement for us to review the consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under the Act and the Code, as and when required, including:
    - giving electors the opportunity to raise questions about your 2017/18 financial statements, consider and decide upon any objections received in relation to the 2017/18 financial statements;
    - issue of a report in the public interest; and
    - making a written recommendation to the Council, copied to the Secretary of State.
- We certify completion of our audit.

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 this report.

Going concern

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570). We will review management's assessment of the going concern assumption and evaluate the disclosures in the financial statements.

Materiality

The concept of materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. 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.

Materiality for planning purposes

We propose to calculate financial statement materiality based on a proportion of the gross expenditure of the Council for the financial year. In the prior year we used the same benchmark. We have determined planning materiality (the financial statements materiality determined at the planning stage of the audit) to be £1.021m (PY £1.021m), which equates to 2% of gross expenditure. We have used the prior year gross expenditure (adjusted to remove the on- off effect of the value of the reversal of housing impairment) as a proxy for the forecast gross expenditure for the year. We design our procedures to detect errors in specific accounts at a lower level of precision.

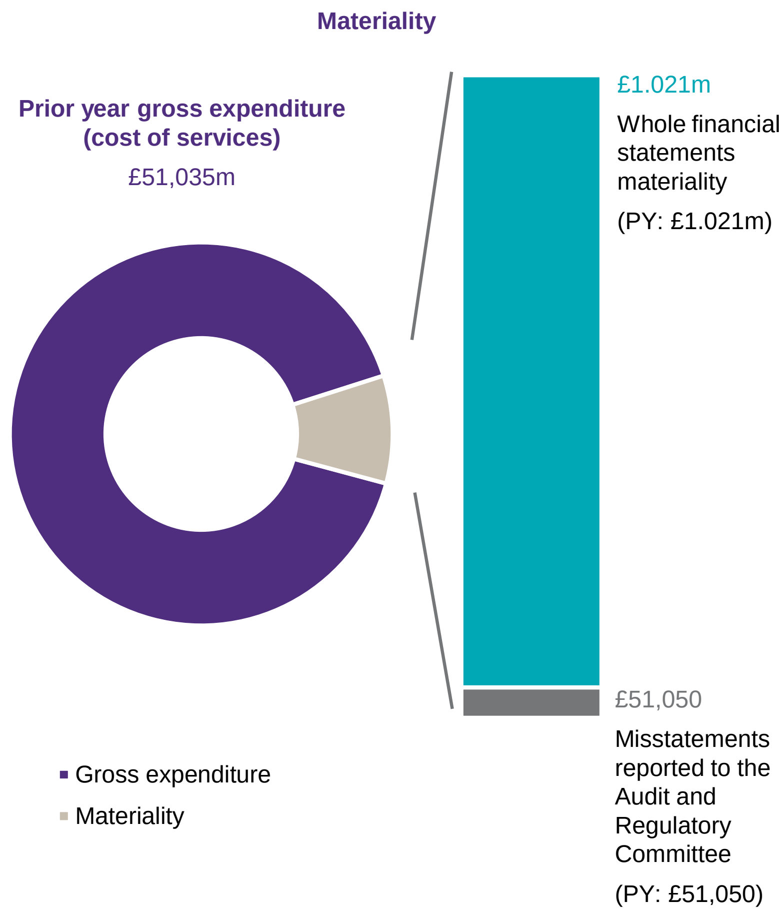
We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality

ISA (UK and Ireland 320) also requires auditors to determine separate lower materiality levels when there are ‘particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality to the financial statements as a whole could reasonably be expected to influence the economic decisions of users’. We will consider a separate materiality level for the disclosure of senior managers salary and allowances, on receipt of the draft financial statements and will report this to the Audit and Regulatory Committee.

Matters we will report to the Audit and Regulatory Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit and Regulatory Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) ‘Communication with those charged with governance’, we are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. ISA 260 (UK) defines ‘clearly trivial’ as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the Council, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £51,050 (consistent with prior year).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Regulatory Committee to assist it in fulfilling its governance responsibilities



Group audit scope and risk assessment

In accordance with ISA (UK) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component	Significant?	Level of response required under ISA (UK) 600	Risks identified	Planned audit approach
High Peak Borough Council	Yes	Comprehensive	As described in this Audit Plan.	Full scope UK statutory audit performed by Grant Thornton UK, as described in this Audit Plan.
Alliance Environmental Services Ltd	Not yet determined	We anticipate that an analytical approach will be appropriate however we await details of the Council's judgements and financial analysis to confirm that this component is not considered significant to the operations of the group. We will advise the Audit and Regulatory Committee to any changes to our assessment.	The assessment of whether group accounts are required depends upon the appropriate alignment of accounting policies and adjustment to the reported financial results of Alliance Environmental Services to determine the implications for group financial statements and whether these are warranted.	We will review the Council's arrangements to align accounting policies and adjust the values reported in the accounts of Alliance Environmental Services. We will review the consolidation of the financial results of the joint venture into the High Peak Group Accounts. We will liaise with the auditors of the Alliance Environmental Services to: • obtain the accounts subject to their audit, • confirm that there are no issues that they are aware of that would impact on our opinion on the Council's financial statements • obtain a copy of the Audit Findings report, and • review the letter of representation.

Key changes within the group:

This is the first year of operation of Alliance Environmental Services Limited, a joint venture company formed by this Council with ANSA Environmental Services Limited and Staffordshire Moorlands District Council, for the delivery of waste collection, street cleansing, grounds maintenance & fleet management services.

Audit scope

- **Comprehensive** – the component is of such significance to the group as a whole that an audit of the components financial statements is required
- **Targeted** – the component is significant to the Group, audit evidence will be obtained by performing targeted audit procedures rather than a full audit
- **Analytical** – the component is not significant to the Group and audit risks can be addressed sufficiently by applying analytical procedures at the Group level

Value for Money arrangements

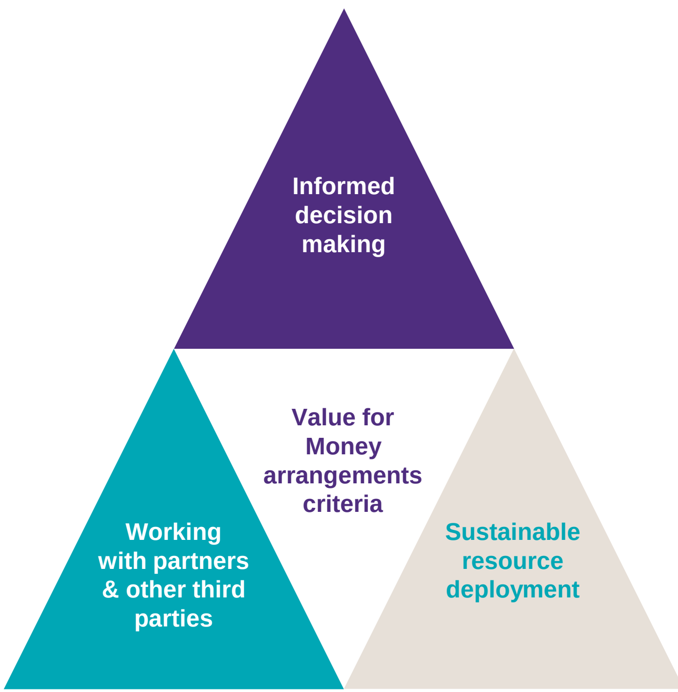
Background to our VFM approach

The NAO issued its guidance for auditors on Value for Money work for 2017/18 in November 2017. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Council has proper arrangements in place.

The 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:



VFM risk assessment

We have carried out an initial risk assessment based on the NAO's guidance. In our initial risk assessment, we consider :

- 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;
- 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.

The purpose of the risk assessment is to identify those risks requiring specific audit consideration and procedures, to address the likelihood that proper arrangements are not in place at the Council to deliver value for money.

Our initial risk assessment has had regard to the arrangements in place at the Council, including reflecting on:

- the arrangements for monitoring and managing the budget and to secure efficiencies in its operations, demonstrated by the Council's financial position at quarter 2 and its expectations to achieve a surplus against its budget for the year;
- the delivery of the efficiency and rationalisation strategy, evident through the delivery of the budgeted position;
- the development of the medium term financial plan, drawing on the progress made in areas such as the HRA Business Plan and the Council's asset management plan;
- changes to service delivery through working with another provider of waste services to form a joint venture.

Overall we have not identified any significant audit risks from our risk assessment.

We will continue our review of your arrangements, including considering your financial outturn and the approval of the 2018/19 budget (for any significant changes) and reviewing your Annual Governance Statement, before we issue our auditor's report.

Audit logistics, team & audit fees

Grant Patterson, Engagement Lead

Grant's role is to lead our relationship with you and be a key contact for the Chief Executive, Executive Directors and the Audit and Regulatory Committee. Grant takes overall responsibility for the delivery of a high quality audit, meeting the highest professional standards and adding value to the Council.

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Allison Rhodes, Audit Manager

Allison is a key contact for the Executive Director and the Audit and Regulatory Committee and manages the delivery of the audit, to meet professional standards and to add value to the Council.

Lisa Morrey, Audit In-Charge

Lisa has the day to day responsibility for running the audit and is a key contact for the Trust's finance staff. She is responsible for ensuring that the finance team are informed and understand our audit requirements. She will also focus on the more technical aspect of the audit and discuss emerging matters with you

Audit fees

The planned audit fees are no less than £47,273 (PY £47,273) for our audit of the financial statements audit and £8,699 (PY £11,040) for the 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 agreed upon procedures reports', are shown under 'Fees for other services'.

In setting your fee, we have assumed that the scope of the audit, and the Council and its activities, do not significantly change.

Our requirements

To ensure the audit is delivered on time and to avoid any additional fees, we have detailed our expectations and requirements in the following section 'Early Close'. If the requirements detailed overleaf are not met, we reserve the right to postpone our audit visit and charge fees to reimburse us for any additional costs incurred.

Early close

Meeting the early close timeframe

Bringing forward the statutory date for publication of audited local government accounts to 31 July this year, across the whole sector, is a significant challenge for local authorities and auditors alike. For authorities, the time available to prepare the accounts is curtailed, while, as auditors we have a shorter period to complete our work and face an even more significant peak in our workload than previously.

We have carefully planned how we can make the best use of the resources available to us during the final accounts period. As well as increasing the overall level of resources available to deliver audits, we have focused on:

- bringing forward as much work as possible to interim audits
- starting work on final accounts audits as early as possible, by agreeing which authorities will have accounts prepared significantly before the end of May
- seeking further efficiencies in the way we carry out our audits
- working with you to agree detailed plans to make the audits run smoothly, including early agreement of audit dates, working paper and data requirements and early discussions on potentially contentious items.

We are satisfied that, if all these plans are implemented, we will be able to complete your audit and those of our other local government clients in sufficient time to meet the earlier deadline.

Client responsibilities

Where individual clients do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other clients. We will therefore conduct audits in line with the timetable set out in audit plans (as detailed on page 12). Where the elapsed time to complete an audit exceeds that agreed due to a client not meetings its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit by the statutory deadline. Such audits are unlikely to be re-started until very close to, or after the statutory deadline. In addition, it is highly likely that these audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit or additional audit fees being incurred, you need to ensure that you:

- produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the narrative report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

In return, we will ensure that:

- the audit runs smoothly with the minimum disruption to your staff
- you are kept informed of progress through the use of an issues tracker and weekly meetings during the audit
- we are available to discuss issues with you prior to and during your preparation of the financial statements.

Independence & non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons. relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

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 Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2016 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council.

Non-audit services

We have set out overleaf ,the details of the non-audit services identified.

For each piece of work we have considered the possible threats to our independence, with particular regard to risk of self interest, self review, management, advocacy, familiarity and intimidation. We are satisfied that the non audit services do not impact on the auditors independence.

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the Council's policy on the allotment of non-audit work to your auditors. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

None of the services provided are subject to contingent fees.

Independence & non-audit services

Service	Fees £	Threats	Safeguards
Audit related			
Agreed upon procedures report for pooling capital receipts return 2016/17 (January 2018)	2,400	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £2,400 in comparison to the total fee for the audit of £47,273 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors mitigate the perceived self-interest threat to an acceptable level.
Non-audit related			
CFO Insights (subscription)	5,625	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £5,625 in comparison to the total fee for the audit of £47,273 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors mitigate the perceived self-interest threat to an acceptable level. Nature of the service presents no other threat to independence as CFO Insights is an online software service offering that enables users to rapidly analyse, segment and visualise all the key data relating to the financial performance of a local authority. The financial data, revenue outturn and budget data is provided by CIPFA and the socio-economic data is drawn from Place Analytics. The data is contextualised using a range of socio-economic indicators enabling the LA to understand their relative performance.
PLACE Analytics (subscription)	5,625	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £5,625 in comparison to the total fee for the audit of £47,273 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors mitigate the perceived self-interest threat to an acceptable level. Nature of the service presents no other threat to independence as Place Analytics is an online software service offering that enables users to rapidly analyse, segment and visualise a host of data sets relating to the Economic, social and environmental make-up of a local authority. The tool enables the user to review the relative strengths and challenges facing the council across these measures to ensure strategic planning and decision making is underpinned by evidence whilst saving time by collating disparate data sources into one tool.

Appendices

Appendix A: Revised ISAs

Detailed below is a summary of the key changes impacting the auditor's report for audits of financial statement for periods commencing on or after 17 June 2016.

Section of the auditor's report	Description of the requirements
Conclusions relating to going concern	We will be required to conclude and report whether: • The directors use of the going concern basis of accounting is appropriate • The directors have disclosed identified material uncertainties that may cast significant doubt about the Council's ability to continue as a going concern.
Material uncertainty related to going concern	In the event that there is material uncertainty related to going concern, then we will need to include a brief description of the events or conditions identified that may cast significant doubt on the Council's ability to continue as a going concern when a material uncertainty has been identified and adequately disclosed in the financial statements. Going concern material uncertainties are no longer reported in an Emphasis of Matter section in our audit report.
Other information	We will be required to include a section on other information which includes: • Responsibilities of management and auditors regarding other information • A statement that the opinion on the financial statements does not cover the other information unless required by law or regulation • Reporting inconsistencies or misstatements where identified
Additional responsibilities for directors and the auditor	We will be required to include the respective responsibilities for directors and us, as auditors, regarding going concern.
Format of the report	The opinion section appears first followed by the basis of opinion section.

Grant Thornton

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