# External Audit Plan

*Year ending 31 March 2019*

East Sussex County Council

25 March 2019

# Contents

Your key Grant Thornton team members are:


**Darren Wells**
**Engagement Lead**
T: 01293 554120
E: Darren.J.Wells@uk.gt.com

**Marcus Ward**
**Engagement Manager**
T: 020 7728 3350
E: Marcus.Ward@uk.gt.com

**Liulu Chen**
**In-charge**
T: 020 7865 2561
E: Liulu.Chen@uk.gt.com




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 Authority or all 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 East Sussex County Council ('the Authority') for those charged with governance.

### 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 out 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 East Sussex County 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 :

- Authority's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit committee); and
- Value for Money arrangements in place at the Authority for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the Audit Committee of your responsibilities. It is the responsibility of the Authority 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 Authority is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Authority's business and is risk based.

| | |
|---|---|
| **Significant risks** | Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:<br>• Fraud in revenue recognition – this risk has been rebutted for the Council as documented on page 6;<br>• Management override of controls;<br>• Valuation of property, plant and equipment;<br>• Valuation of the Pension Fund net liability.<br>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 in July 2019. |
| **Materiality** | We have determined planning materiality to be £20m for the Authority, which equates to 1.75% of your prior year gross expenditure (rounded down) 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 £1m. |
| **Value for Money arrangements** | Our risk assessment regarding your arrangements to secure value for money has identified the following VFM significant risks:<br>• The Council's Financial Sustainability<br>• Working in partnership with the NHS |
| **Audit logistics** | Our interim visit will take place in March and our final visit will take place in June and July. Our key deliverables are this Audit Plan and our Audit Findings Report.<br>Our fee for the audit will be £64,350 for the Authority, subject to the Authority meeting our requirements set out on page 13. |
| **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. |

# Key matters impacting our audit

## Key matters

### The wider economy

Local Government funding continues to be challenging with increasing cost pressures and demand from residents, especially around Special Educational Needs and Disability (SEND) funding and the cost of Adult Social Care. You are responding to this challenge in a variety of ways, including consultation with residents in regards to your Core Offer proposal and lobbying Central Government.

You are progressing with shared service arrangements under the 'Orbis' partnership with Surrey County Council and Brighton & Hove City Council.

The forecast revenue budget outturn for 2018/19 as at month 9 was a £3.7m surplus. This comprises a £3.1m deficit on service provision, offset by a £6.8m surplus on centrally held budgets and corporate funding. The surplus amount includes £3.5m from your contingency provision.

You are a Business Rates pilot for 2019/20 which means you will retain 75% rather than 50% of any real-terms growth in Business Rates revenue.

You are planning for a balanced budget in 2019/20 with a net contribution to reserves. This position is possible due to one-off increases in funding, including the Social Care Grant. Later years show a deficit gap between forecast income and expenditure.

### Brexit

You face the challenge of delivering services during significant political uncertainty on a national scale. With the UK due to leave the European Union on 29 March 2019, there will be national and local implications resulting from Brexit that will impact on you.

You will need to review your workforce plans, analyse your supply chains and model potential impacts on your finances including investment and borrowing as well as any potential impact on the valuation of your assets.

### Changes to the CIPFA 2018/19 Accounting Code

The most significant changes relate to the adoption of:

- IFRS 9 Financial Instruments which impacts on the classification and measurement of financial assets and introduces a new impairment model.
- IFRS 15 Revenue from Contracts with Customers which introduces a five step approach to revenue recognition.

### Working with the NHS

You have a statutory duty to provide Public Health and Adult and Child Social Care services to residents. Failure to secure maximum value from partnership working with the NHS could impact negatively on these services, leading to worse health outcomes for your residents and an increase to current and future costs.

### Orbis financial reporting

This is the first year that your financial reporting team will be delivered via the Orbis partnership.

There are challenges for your financial reporting team to overcome with the new working arrangements, including understanding the different cultures, systems, processes, controls and procedures across the Orbis partnership.

There is also a capacity risk; at the time of writing there is a financial reporting post vacant in the Orbis structure.

## Our response

- We will assess the financial sustainability of the Council and your partnership working with the NHS as part of our Value for Money conclusion. See pages 11 and 12 for more detail.
- We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops.
- We will ask management to provide us with a paper which documents their consideration and judgement in relation to the adoption of the new standards. We will consider whether your financial statements reflect the financial reporting changes in the 2018/19 CIPFA Code.
- We will have early discussions with management in regards to any key financial reporting considerations and / or changes, for example to your Minimum Revenue Provision accounting.

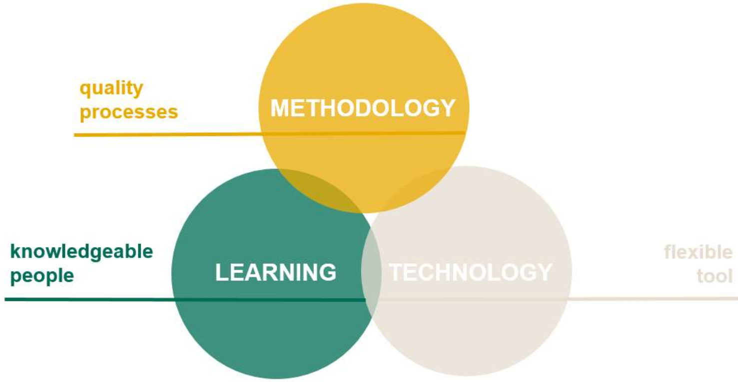
# Audit approach

## Use of audit, data interrogation and analytics software

### LEAP

Audit software

- A globally developed ISA-aligned methodology and software tool that aims to re-engineer our audit approach to fundamentally improve quality and efficiency
- LEAP empowers our engagement teams to deliver even higher quality audits, enables our teams to perform cost effective audits which are scalable to any client, enhances the work experience for our people and develops further insights into our clients' businesses
- A cloud-based industry-leading audit tool developed in partnership with Microsoft




### Inflo

Cloud based software which uses data analytics to identify trends and high risk transactions, generating insights to focus audit work and share with clients.

**REQUEST & SHARE**
- Communicate & transfer documents securely
- Extract data directly from client systems
- Work flow assignment & progress monitoring

**ASSESS & SCOPE**
- Compare balances & visualise trends
- Understand trends and perform more granular risk assessment

**VERIFY & REVIEW**
- Automate sampling requests
- Download automated work papers

**INTERROGATE & EVALUATE**
- Analyse 100% of transactions quickly & easily
- Identify high risk transactions for investigation & testing
- Provide client reports & relevant benchmarking KPIs

**FOCUS & ASSURE**
- Visualise relationships impacting core business cycles
- Analyse 100% of transactions to focus audit on unusual items
- Combine business process analytics with related testing to provide greater audit and process assurance

**INSIGHTS**
- Detailed visualisations to add value to meetings and reports
- Demonstrates own performance and benchmark comparisons

### IDEA

- We use one of the world's leading data interrogation software tools, called 'IDEA' which integrates the latest data analytics techniques into our audit approach
- We have used IDEA since its inception in the 1980's and we were part of the original development team. We still have heavy involvement in both its development and delivery which is further enforced through our chairmanship of the UK IDEA User Group
- In addition to IDEA, we also other tools like ACL and Microsoft SQL server
- Analysing large volumes of data very quickly and easily enables us to identify exceptions which potentially highlight business controls that are not operating effectively

### Appian

Business process management

- Clear timeline for account review:
  - disclosure dealing
  - analytical review
- Simple version control
- Allow content team to identify potential risk areas for auditors to focus on

# Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

| Risk | Reason for risk identification | Key aspects of our proposed response to the risk |
|---|---|---|
| **Management over-ride of controls** | Under ISA (UK) 240 there is non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.<br><br>We identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk for the Authority. | We will:<br>• evaluate the design effectiveness of management controls over journals<br>• analyse the journals listing and determine the criteria for selecting high risk unusual journals<br>• test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration<br>• gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence<br>• evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions. |
| **ISA240 revenue risk**<br><br>The risk that revenue includes fraudulent transactions | We have considered the rebuttable presumed risk under ISA (UK) 240 that revenue may be misstated due to the improper recognition of revenue.<br><br>We have rebutted this presumed risk for revenue streams that are derived from Council Tax, Business Rates and Grants on the basis that they are income streams that are hard to manipulate.<br><br>We have not deemed it appropriate to rebut this presumed risk for all other material streams which are as follows:<br><br>• Fees, charges and other service income<br>• Support service recharges<br><br>We have therefore identified the occurrence and accuracy of these income streams and the existence of associated receivable balances as a significant risk of material misstatement. | For all material income streams where we have not rebutted the presumed risk of revenue recognition we will:<br><br>• evaluate your accounting policy for recognition of income for appropriateness and compliance with LG Code of Practice<br>• update our understanding of your system for accounting for income and evaluate the design of the associated controls<br>• review and sample test income to supporting evidence<br>• evaluate and challenge significant estimates and the judgments made by management |

# Significant risks identified - continued

| Risk | Reason for risk identification | Key aspects of our proposed response to the risk |
| --- | --- | --- |
| **Valuation of Property, Plant and Equipment** | You revalue your land and buildings on an rolling three-year basis to ensure that carrying value is not materially different from current value. This represents a significant estimate by management in the financial statements.<br>Additionally, management will need to ensure the carrying value of assets not revalued as at 31 March 2019 in the financial statements is not materially different from the current value at the financial statements date.<br>We identified the valuation of land and buildings revaluations and impairments as a risk requiring special audit consideration. | We will:<br>• evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work<br>• evaluate the competence, capabilities and objectivity of the valuation experts<br>• Write to the valuer to confirm the basis on which the valuation was carried out<br>• challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding<br>• test revaluations made during the year to see if they had been input correctly into the Council's asset register<br>• 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 at year end. |
| **Valuation of the Pension Fund net liability** | Your Pension Fund net liability, as reflected in your balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements<br><br>The pension fund net liability is considered a significant estimate due to its value (£409.8 million PY) in the Council's Statement of Financial Position and the sensitivity of the estimate to changes in key assumptions. Brexit could have an impact on the values included within the Accounts at year end so this will need to be factored into consideration.<br><br>We identified valuation of the your Pension Fund net liability as a risk requiring special audit consideration. | We will:<br>• update our understanding of the processes and controls put in place by management to ensure that your Pension Fund net liability is not materially misstated and evaluate the design of the associated controls;<br>• evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;<br>• assess the competence, capabilities and objectivity of the actuary who carried out your Pension Fund valuation;<br>• assess the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability;<br>• test the consistency of the Pension Fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary;<br>• undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report. |

# Significant risks identified - continued

| Risk | Reason for risk identification | Key aspects of our proposed response to the risk |
|---|---|---|
| **Private Finance Initiative (PFI) liability**<br>The risk of material error in the accuracy and presentation of the Private Finance Initiative (PFI) liability and associated disclosures | You have two builds which are financed through PFI schemes: Waste and Peacehaven Schools. As these PFI transactions are significant, complex and involve a degree of subjectivity in the measurement of financial information we have categorised them as a significant risk. | We will<br>• review your PFI models and assumptions contained therein;<br>• compare your PFI models to previous year to identify any changes;<br>• review and test the output produced by your PFI models to generate the financial balances within the financial statements;<br>• review the PFI disclosures to ensure they are consistent with the Code of Practice on Local Authority Accounting and the International Accountancy Standard IFRIC12. We will check any additional disclosures that you include within the financial statements to the PFI models. |

# 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 read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and consistent with our knowledge of the Authority.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with the guidance issued by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
    - Giving electors the opportunity to raise questions about your 2018/19 financial statements, consider and decide upon any objections received in relation to the 2018/19 financial statements;
    - Issue of a report in the public interest or written recommendations to the Authority under section 24 of the Act, copied to the Secretary of State.
    - Application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act; or
    - Issuing an advisory notice under Section 29 of the Act.
- 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 Authority'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.

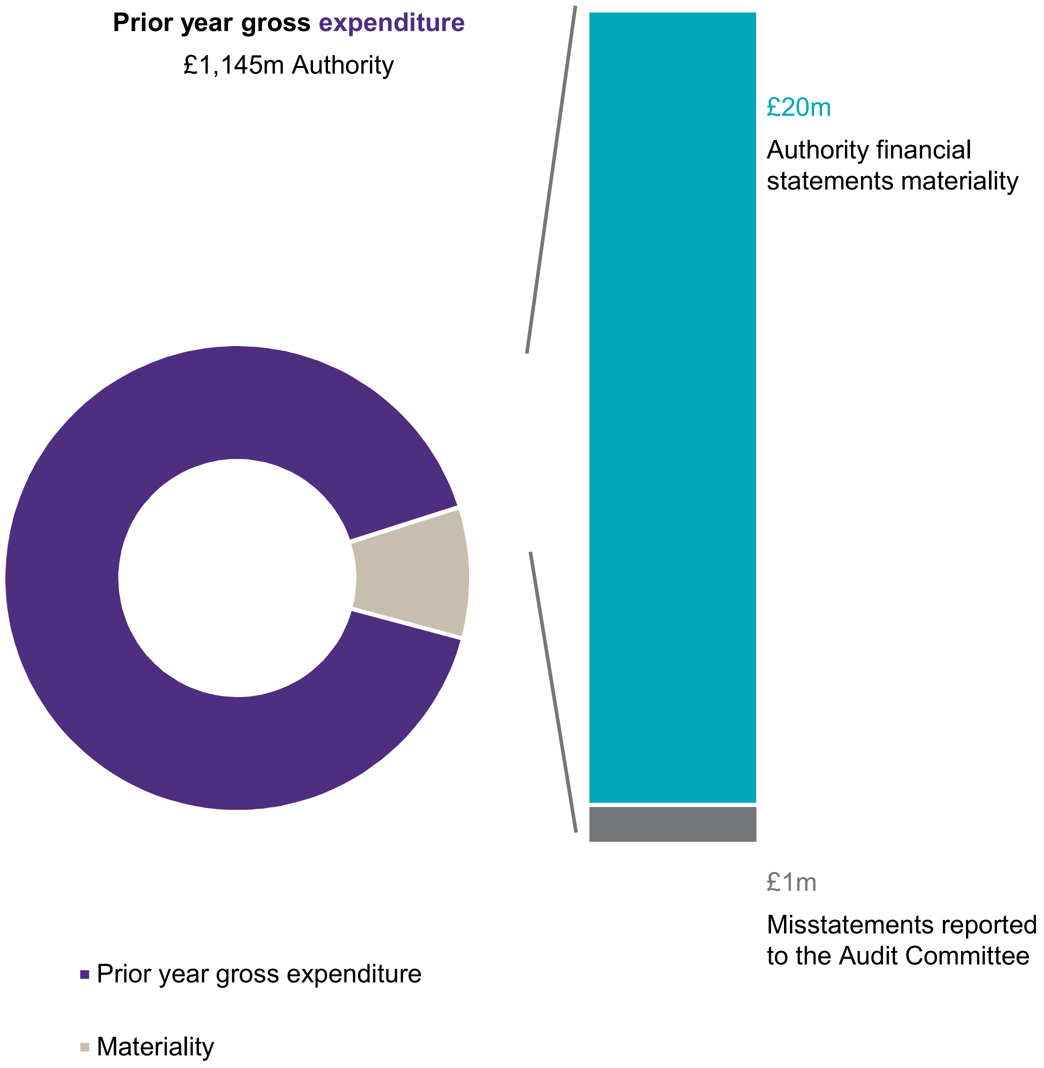
### Materiality for planning purposes

We have determined financial statement materiality based on a proportion of the gross expenditure of the Authority for the financial year. In the prior year the outgoing auditors used the same benchmark. Materiality at the planning stage of our audit is £20m for the Authority, which equates to 1.75% of your prior year gross expenditure. 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.

### Matters we will report to the Audit 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 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 Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £1m.

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 Committee to assist it in fulfilling its governance responsibilities.



# Value for Money arrangements

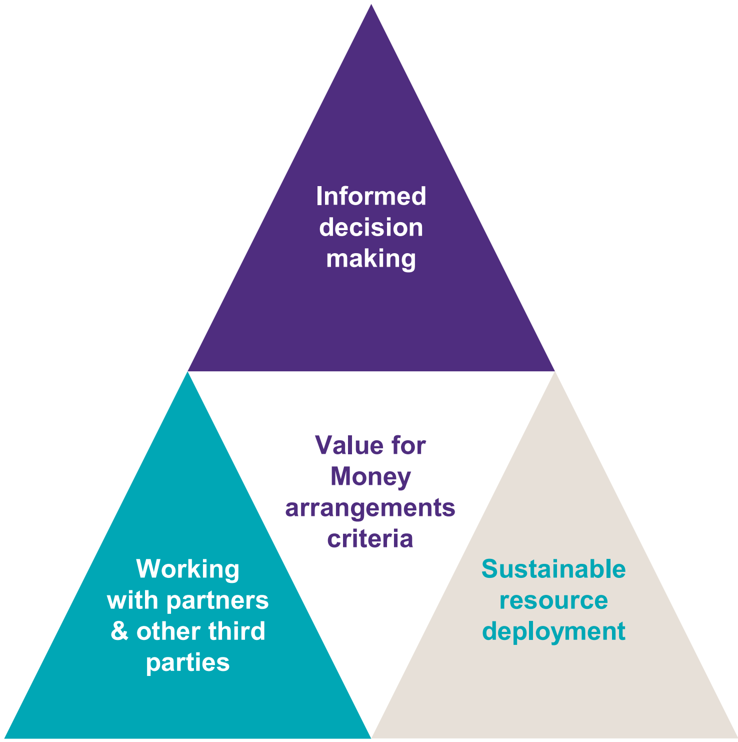
## Background to our VFM approach

The NAO issued its guidance for auditors on Value for Money work in November 2017. The guidance states that for Local Government bodies, auditors are required to give a conclusion on whether the Authority has proper arrangements in place to secure value for money.

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:




## Significant VFM risks

Those risks requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the Authority to deliver value for money.

### Ongoing Financial Sustainability

**Risk**

Rising demand for the Council's services and falling government grants are putting the Council's finances under considerable strain. Your Medium Term Financial Plan shows a deficit position of £12m in 2020/21. Therefore you need to manage your resources carefully to ensure a sustainable future. Brexit adds uncertainty to this challenge and you will no doubt monitor developments closely as the end of March approaches.

**Planned Response**

To gain assurance over this risk we are planning to undertake work in the following areas:

- review your 2018-19 outturn, including details of performance against both the Revenue and Capital Budgets;
- review progress against the 2019-20 financial plan up to the completion of our audit; and
- assess the reasonableness of assumptions made in your Medium Term Financial Strategy
- assess your reserve levels
- review documentation and discuss your progress and plans to address the budget gap in coming years including the Core Offer.

We will also consider the financial impact of any financial issues arising from Brexit. These may include changes in property values, adverse changes to investment and borrowing rates, changes to business rate income, and the impact on your workforce.

# Value for Money arrangements (continued)

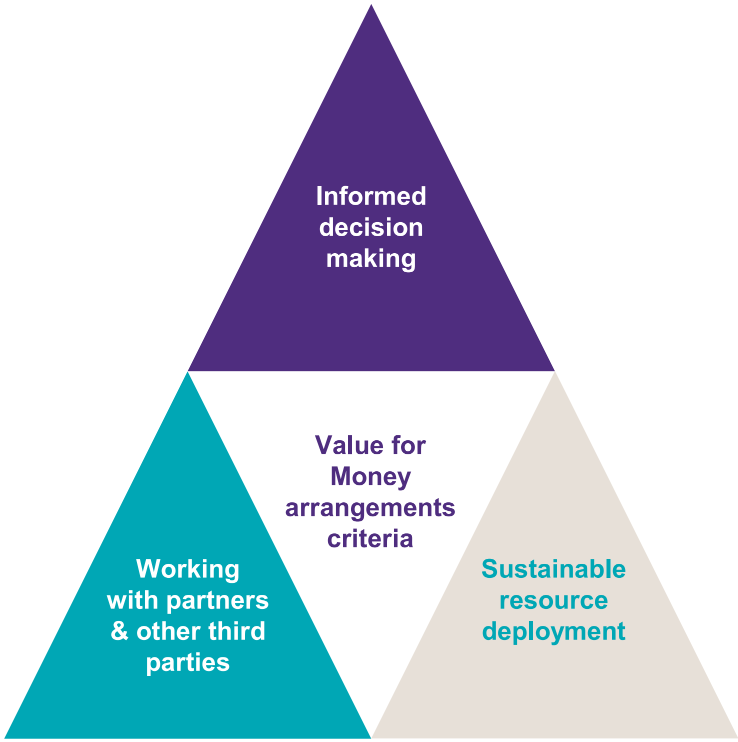
### Background to our VFM approach

The NAO issued its guidance for auditors on Value for Money work in November 2017. The guidance states that for Local Government bodies, auditors are required to give a conclusion on whether the Authority has proper arrangements in place to secure value for money.

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:




### Significant VFM risks

Those risks requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the Authority to deliver value for money.

#### Working in partnership with the NHS

**Risk**

Failure to secure maximum value from partnership working with the NHS could impact negatively on social care and public health services, leading to worse health outcomes for your residents and also increased current and future costs.

**Planned Response**

We will review documentation and speak to officers at the Council and potentially NHS partners to understand your significant NHS collaboration initiatives, including but not limited to: East Sussex Better Together and Connecting 4 You.

#### Brexit

**Risk**

With the UK due to leave the European Union on 29 March 2019, there will be national and local implications for which you will need to plan.

**Planned Response**

Review your arrangements and plans relating to Brexit. Our review will focus on areas such as workforce planning, supply chain analysis and impacts on finances including investment and borrowing as well as any potential impact on the valuation of your assets.

# Audit logistics, team & fees

Planning and risk assessment

Interim audit
11 March 2019

Audit committee
25 March 2019
Audit Plan

Year end audit
June/July 2019

Audit committee
12 July 2019
Audit Findings Report

Governance committee
16 July 2019
Sign accounts and audit opinion

Audit committee
22 November 2019
Annual Audit Letter

**Darren Wells, Engagement Lead**

Darren will be the main point of contact for the Chief Executive and Members. He will share his wealth of knowledge and experience across the sector providing challenge as a critical friend and sharing good practice. Darren will provide pragmatic solutions and act as a sounding board with Members including Audit Committee. Darren has overall responsibility for quality and as such will review all reports and the team's work.

**Marcus Ward, Audit Manager**

Marcus will work with the senior members of the finance team and oversee project management, including early transaction and controls testing and agreement of accounting issues on a timely basis. Marcus will ensure our audit is tailored specifically to you and is delivered efficiently. Marcus will undertake reviews of the team's work and draft reports for Audit Committee, ensuring they remain clear, concise and understandable.

**Liulu Chen, Audit In-charge**

Liulu will lead the onsite team and will be the day to day contact for the audit. She will monitor the deliverables, manage the query log with your finance team and highlight any significant issues and adjustments to senior management. She will also undertake the more technical aspects of the audit, coach the junior members of the team and review the team's work.

## Audit fees

The planned audit fees are £64,350 for the financial statements audit completed under the Code, which are inline with the scale fee published by PSAA.  In setting your fee, we have assumed that the scope of the audit, and the Authority 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.

Any proposed fee variations will need to be approved by PSAA.

# Early close

### Meeting the 31 July audit timeframe

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 13). Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting 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 will share and agree with you in advance
- 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 bare 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.

We confirm that we have implemented policies and procedures to meet the requirements of 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 2017 and PSAA's Terms of Appointment which set out supplementary guidance on ethical requirements for auditors of local public bodies.

### Other services provided by Grant Thornton

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams. No other services were identified.

Grant Thornton



**grantthornton.co.uk**