The Audit Findings for Sedgemoor District Council

Year ended 31 March 2022

September 2023

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 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.

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents will be discussed with management and the Audit & Standards Committee.

Julie Masci

Name : Julie Masci

For Grant Thornton UK LLP

Date : 12 September 2023

1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Sedgemoor District Council ('the Council') and the preparation of the group and Council's financial statements for the year ended 31 March 2022 for those charged with governance.

Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the group and Council's financial statements give a true and fair view of the financial position of the group and Council and the group and Council's income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), Narrative Report and, is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our audit work was completed remotely during October 2022 to March 2023. Our findings are summarised on pages 2 to 19. From this work, we identified one adjustment to the financial statements that has resulted in a £2.6m adjustment to the Council's Comprehensive Income and Expenditure Statement. All unsigned audits for 2021-22 were paused at the 31 March 2023 to consider the impact of publication of the results of the triennial actuarial review of pensions valuations. This resulted in changes in member numbers within pension funds and has led to a material adjustment in the pension liability disclosures for the Council as at 31 March. We have discussed this issue with the NAO and FRC to understand the impact and the disclosure requirements. This has required management to commission a new actuarial valuation and adjust the accounts accordingly. This Audit Findings Report updates the final position in response to the additional work required.

Audit adjustments are detailed in Appendix C. We have also raised recommendations for management as a result of our audit work in Appendix A. Our follow up of recommendations from the prior year's audit are detailed in Appendix B.

Our work is complete and there are no matters we have identified that would require a material changes to the financial statements.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.

Our anticipated audit report opinion will be unqualified including an Emphasis of Matter paragraph highlighting the Council's demise, and the commencement of the new Somerset Council on 1 April 2023.

1. Headlines

Value for Money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are now required to report in more detail on the Council's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Council's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance

We have completed our 2021-22 VFM work and our detailed commentary is set out in the separate Auditor's Annual Report, which was presented to the Sedgemoor Audit and Standards Committee in March 2023. We identified a significant weakness in the Council's arrangements and so are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. A summary of our findings are set out in the value for money arrangements section of this report.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties

We have completed our work under the Code and expect to be able to certify the completion of the audit when we give our audit opinion.

Significant Matters

We identified Investment properties revaluations and as a significant matters during the course of our work, as detailed in Section 2 of our report.

2. Financial Statements

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents will be discussed with management and the Audit & standards Committee.

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

Audit approach

Our audit approach was based on a thorough understanding of the group's business and is risk based, and in particular included:

- An evaluation of the group's internal controls environment, including its IT systems and controls;
- An evaluation of the components of the group based on a measure of materiality considering each as a percentage of the group's gross revenue expenditure to assess the significance of the component and to determine the planned audit response. From this evaluation we determined that an audit of Homes in Sedgemoor was required, which was completed by Bishop Fleming UK LLP; and
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

Conclusion

We have completed our audit of your financial statements and we propose to issue an unqualified audit opinion, with an emphasis of matter, following approval of the revised financial statements at the Council's Audit Committee on 28 September 2023.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff. As highlighted in our previous reports, the impact of the pandemic has meant that both your finance team and our audit team faced audit challenges again this year, such as remote accessing financial systems, video calling, physical verification of assets, verifying the completeness and accuracy of information provided remotely produced by the entity, access to key data from Council staff . This resulted in us having to carry out additional audit procedures to gain sufficient audit assurance in respect of our auditor's opinion on the financial statements.

2. Financial Statements

Our approach to 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.

Materiality levels remain the same as reported in our audit plan.

We detail in the table our determination of materiality for Sedgemoor District Council

	Group Amount (£)	Council Amount (£)	Qualitative factors considered
Materiality for the financial statements	1,480,000	1,460,000	Materiality has been based on 2% of the Authority's gross expenditure
Performance materiality	1,110,000	1,095,000	Our performance materiality has been set as 75% of our overall materiality
Trivial matters	73,000	73,000	This is set at 5% of financial statements materiality and reflects a level below which stakeholders are unlikely to be concerned by uncertainties

2. Financial Statements - Significant risks

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.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan	Commentary
Management override of controls Under ISA (UK) 240, there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities. The Authority face external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance. We therefore identified management override of control, in particular journals, management estimates, and transactions outside the course of business as a significant risk for the Council, which was one of the most significant assessed risks of material misstatement	We have: • evaluated the design effectiveness of management controls over journals, including undertaking a walkthrough of the process and controls. No issues were identified from completion of this • obtained a full download of the general ledger alongside the trial balance and uploaded these onto our data analysis software, Inflo. • Inflo undertakes a number of checks on the data such as unbalanced transactions, unbalanced user IDs and transactions with blank account descriptions. Where any differences were noted by Inflo, we followed these up with the Council and obtained sufficient explanations and corroborations for these. • we have reviewed the manual journals within inflo to identify those deemed to be high risk to be selected for testing. We selected and shared the sample of journals with the Council for them to provide us with evidence to support the entries and will complete our testing upon receipt of the supporting documentation. Our testing has not identified any issues in respect of management override of controls.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan	Risk relate to	Commentary
ISA240 revenue risk - the Council's reported revenue contains fraudulent transactions (rebutted) 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.	All group entities	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 Sedgemoor District Council, mean that all forms of fraud are seen as unacceptable. • The majority of income in subsidiaries is a single source of funding from the Council in the form of a small number of management fees or loan transactions which are easily verifiable. This, along with minimal third party income, means there a limited opportunities to manipulate revenue. Therefore we do not consider this to be a significant risk for Sedgemoor District Council
The expenditure cycle includes fraudulent transactions Practice note 10: Audit of Financial Statements of Public Sector Bodies in the United Kingdom (PN10) states: "As most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition." Public sector auditors therefore, need to consider whether they have any significant concerns about fraudulent financial reporting of expenditure which would need to be treated as a significant risk for the audit	All group entities	We have considered both pay and non pay costs and considered there to be little opportunity for fraudulent transactions. Pay costs are determined b employee contracts and are standard monthly payments. Non pay costs are based on supplier invoice transactions and have to be paid within a set timeframe. As part of the audit we have considered the completeness, accuracy and occurrence of expenditure transactions by: • Evaluating the design and implementation effectiveness of the accounts payable process • Testing a sample of transactions incurred around the year end to ensure these have been accounted for in the appropriate financial period • Testing a sample of accruals made at year end that have not yet been invoiced to assess whether the valuation has been calculated on an appropriate basis. Therefore we do not consider this to be a significant risk for Sedgemoor District Council and have rebutted this presumed risk. Our testing has not identified any issues in relation to fraudulent transactions in the expenditure cycle

2. Financial Statements - Significant risks

Risks identified in our Audit Plan	Risk relate to	Commentary
Valuation of land and buildings The group revalue its land and buildings, including HRA properties, on an annual basis to ensure that the carrying value is not materially different from the current value or fair value (for surplus assets) at the financial statements date. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions. Management use the services of an internal valuer to estimate the current value as at 31 March 2022. We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.	Council and Aspen Housing & development Ltd	We have: • evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation expert and the scope of their work. • evaluated the competence, capabilities and objectivity of the valuation expert. • written to the valuer to confirm the basis on which the valuations were carried out. • reviewed the fixed asset register and valuation reports to identify a sample of land and buildings which have been revalued in year for further testing. In doing this we considered those assets whose values at 31 March 2022 are above performance materiality, those assets where there has been a valuation movement or other change outside of our expectation and a sample of assets where the movement is in line with expectation • for each item within our sample requested detailed calculation sheets for the 2022 revaluation exercise to support and evidence the assumptions used to calculate the updated valuations. Our testing identified an error in the calculation of the HRA valuation. Management had used the wrong values for the Beacon properties and therefore the value was understated by £7.25m. This was an error in calculation and not the valuation process. No other issues have been identified from this work.
Valuation of Investment Property The Council revalue Investment Properties annually. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£39.6m) and the sensitivity of this estimate to changes in key assumptions. We therefore identified valuation of Investment Properties, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.	Council	We have: • Evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • Evaluated the competence, capabilities and objectivity of the valuation report; • Written to the valuer to confirm the basis on which the valuations were carried out; • Challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding; • Tested revaluations made during the year to see if they have been input correctly into the Council's asset register; • Tested on a sample basis, revaluations made during the year to ensure they have been input correctly into the Council's asset register. We have been provided with evidence by management and have agreed movements in year back to the supporting documentation Testing to date has identified one investment property which had been revalued by the valuer but had not been appropriately disclosed in the statement of accounts. The Council had not used the revised valuation and therefore the asset was overstated by £2.6m. This has required a material adjustment to the primary statements. Management review also identified that investment property income had been incorrectly recognised in the net cost of services rather than within the surplus or deficit on the provision of services. This has resulted in £1.9m adjustment and a prior period adjustment The adjustments are shown in appendix C and recommendations have been raised.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan	Risk relates to	Commentary
Valuation of Council Dwellings The group revalue its land and buildings, including HRA properties, on an annual basis to ensure that the carrying value is not materially different from the current value or fair value (for surplus assets) at the financial statements date. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions. Management use the services of an internal valuer to estimate the current value as at 31 March 2022. We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.	Council	We have: • evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation expert and the scope of their work. • evaluated the competence, capabilities and objectivity of the valuation expert. • written to the valuer to confirm the basis on which the valuations were carried out. • Reviewed management's assumptions on the categorisation of Beacon properties to ensure Council Dwellings were appropriately allocated in line with the requirements of the Code and in line with the Stock valuation resource accounting 2016:guidance for valuers provided by central government • Tested on a sample basis revaluations made in the year to ensure these have been completed appropriately and input correctly into the Council's assets register We have not identified any issues in relation to this risk.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan	Commentary
Valuation of pension fund net liability The Council's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements. The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£80.9m in the Council's balance sheet) and the sensitivity of the estimate to changes in key assumptions. The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation. The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable. The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. In particular the discount and inflation rates, where our consulting actuary has indicated that a 0.1% change in these two assumptions would have approximately 2% effect on the liability. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation. With regard to these assumptions we have therefore identified valuation of the Council's pension fund net liability as a significant risk.	We: • Updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls; • Evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • Assessed the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation; • Assessed the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability • Tested 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 • Undertook 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; • We have discussed with the pension fund auditor the controls surrounding the validity and accuracy of membership data; contributions data and benefits data, sent to the actuary by the pension fund, and the fund assets valuation in the pension fund financial statements. Additional queries have been required to be made following clarification by the regulators that they expect admitted body auditors to gain sufficient assurances over the independent valuation of all investment assets and controls within the Pension Fund. We have requested this information and have been provided with a response by the Pension fund auditor. We have reviewed this information and no further issues have been identified. As highlighted earlier in our report, all unsigned audits for 2021-22 were paused at the 31 March 2023 to consider the impact of publication of the results of the triennial actuarial review of pensions valuations. This resulted in changes in member numbers within pension funds and has led to a material adjustment in the pension liability disclosures for the Council as at 31 March 2022. This has required management to commission a new actuarial valuation and adjust the accounts accordingly. The Council has prepared revised financial statements reflecting the new actuarial assumptions relevant to 31 March 2022. This has resulted in an overall reduction to the Council's net pensions liability of £9.9m. We have performed additional audit procedures to ensure the revised pension valuation has been adjusted appropriately within the financial statements, as we as performed additional member data testing on the inputs used to inform the actuary's triennial valuation of the fund as a whole. Furthermore, we have reviewed the revised actuarial assumptions used by the actuary in preparing its revised valuation and we are satisfied that these revised assumptions are within expected tolerances as set out by our consulting actuary (as auditor's expert).

2. Financial Statements – Key findings arising from the group audit

Component	Component auditor	Findings	Group audit impact
Sedgemoor District Council	Grant Thornton	See pages 7-11 for significant risks work undertaken and any issues identified	There is no impact on the group audit opinion.
Homes In Sedgemoor	Bishop Fleming	Full scope UK statutory audit performed by Homes in Sedgemoor Auditors, Bishop Fleming. The nature, time and extent of our involvement in the work included a discussion on risks, followed by the review of relevant aspects of the Homes in Sedgemoor auditor's audit documentation and meeting with appropriate members of management. A review of the Pension Liability, cash, debtors, creditors and payroll was undertaken to provide assurance to the overall group position. Bishop Fleming have completed their audit and issued an unqualified opinion.	As part of our review of the group accounts we have undertaken a review of the component auditors work to ensure that key risks have been addressed and that no issues which would impact on the group opinion had been identified. Our work has not identified any issues in relation to the audit of the component.
Sedgemoor Group Ltd	Grant Thornton	This is a no significant component and work is limited to analytical review of the transactions relating to the component	Our work has not identified any issues in relation to this component.
Aspen Housing & Development Ltd	Grant Thornton	Aspen Housing has one asset that is contained within the group balance sheet. We have included this asset in our PPE work to ensure that is appropriately valued.	Our work has not identified any issues in relation to this component.

2. Financial Statements – key judgements and estimates

This section provides commentary on key estimates and judgements inline with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Land and Building valuations – £22.975m Investment Property valuations - £39.536m	Other land and buildings comprises of specialised assets such as schools and libraries which are required to be valued at depreciated replacement cost (DRC), reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The reminder of other land and buildings are not specialised in nature and are required to be valued at existing use in value (EUV) at year end. Surplus assets and Investment properties are valued at the highest and best values. The Council engages its external valuer to undertake the annual valuation. The Council's land and buildings, surplus assets and investment properties are revalued in full annually at the valuation date of 31 March. The total year end valuation of land and buildings was £22.975m, a net increase of £978k from the prior year (£21.997m)	We have reviewed the detail of your assessment of the estimate considering: • The assessment of the Council's external valuers • The completeness and accuracy of the underlying information used to determine the estimate • The reasonableness of the overall increase in the estimate • The adequacy of the disclosure of the estimate in the financial statements • The sensitivities used by the valuer to assess completeness and consistency with our understanding and • Consistency of the estimate against Gerald Eve reported indices Testing of the valuer's assumptions requires that sufficient evidence be provided to support any underlying assumptions or indices used to calculate a revaluation. Management have been able to provide appropriate audit evidence to support these underlying assumptions Testing has identified one investment property which had been revalued by the valuer but had not been appropriately disclosed in the statement of accounts. The Council had not used the revised valuation and therefore the asset was overstated by £2.6m. This has required a material adjustment to the primary statements.	Dark Purple

Assessment

- [Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Land and Buildings – Council Housing - £220.549m	The Council owns 4,031 dwellings and is required to revalue these properties in accordance with DCLG's Stock Valuation for Resource Accounting guidance. The guidance requires the use of beacon methodology, in which a detailed valuation of representative property types is then applied to similar properties. The Council has engaged Wilks Head and Eve to complete the valuation of these properties. The year end valuation of Council Housing was £220.549m, a net increase of £17.712m from 2020/21 (£202.837m).	Council dwellings represent a significant proportion (£195m) of the Council's asset base and in accordance with the CIPFA code, these assets are valued in line with the Stock valuation resource accounting 2016:guidance for valuers which has been provided by Central Government. We have assessed the Council's valuer to be competent, capable and objective. We have carried out completeness and accuracy testing of the underlying information provided to the valuer used to determine the estimate and have no issues to report. The valuation method remains consistent with the prior year although we are still to complete our work in this area. We will carry out sample testing of beacon properties to test the reasonableness of the beacon applied and any issues will be reported to management. We have undertaken a review of the values against the Gerald Eve trends to ensure that there is not a material variance between the fair value and the market value. We have agreed the HRA valuation report to the Statement of Accounts. Our testing identified an error in the calculation of the HRA valuation. Management had used the wrong values for the Beacon properties and therefore the value was understated by £7.25m. This was an error in calculation and not the valuation process.	Dark Purple

Assessment

- Dark Purple We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- Blue We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- Grey We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- Light Purple We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Net pension liability	The Council uses Barnett Waddingham to provide actuarial valuations of the Council's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years. The draft accounts were initially prepared based latest on the full actuarial valuation completed in 2020 setting the valuation as at 31 March 2019. A roll forward approach is used in intervening periods which utilises key assumptions such as life expectancy, discount rates, salary growth and investment return. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. Since commencing our audit, a revised triennial valuation has been prepared updating the actuarial valuation as at 31 March 2022.	• We identified the controls put in place by management to ensure that the pension fund liability is not materially misstated. We also assessed whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement. No issues were identified from our review of the controls in place. • We also evaluated the competence, expertise and objectivity of the actuary who carried out your pension fund valuations and gained an understanding of the basis on which the valuations were carried out. This included undertaking procedures to confirm the reasonableness of the actuarial assumptions made: (see table below) • We checked the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial reports and did not identify any inconsistencies. • The Council has considered that the impact of GMP equalisation is not material to the Statement of Accounts. Based on our review of this area we concur with this view.	Light Purple

Assumption	Actuary Value 2019 valuation	Revised Actuary Value 2022 valuation	Assessment
Discount rate	2.60%	2.60%	●
Pension increase rate	3.60%	3.20%	●
Salary growth	4.20%	4.20%	●
Life expectancy – Males currently aged 45 / 65	24.4 / 23.1	22.6/21.3	●
Life expectancy – Females currently aged 45 / 65	26.0 / 24.6	24.6/23.2	●

Assessment

- ● Dark Purple We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- ● Blue We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- ● Grey We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- ● Light Purple We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - key judgements and estimates

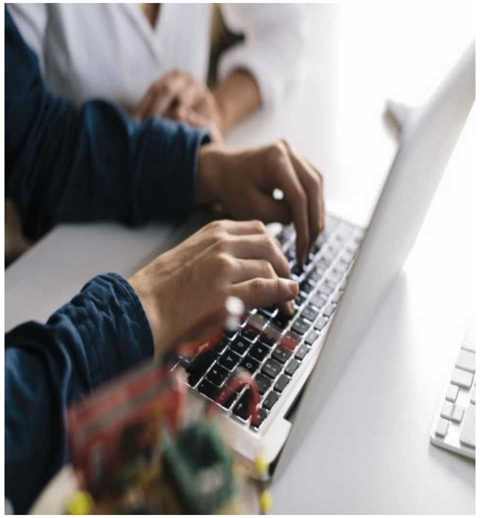
Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Grants Income Recognition and Presentation- £24.534m	The Council receives a number of grants and contributions and is required to follow the requirements set out in sections 2.3 and 2.6 of the Code. The main considerations are to determine whether the Council is acting as principal/ agent, and if there are any conditions outstanding (as distinct from restrictions) that would determine whether the grant be recognised as a receipt in advance or income. The Council also needs to assess whether grants are specific, and hence credited to service revenue accounts, or of a general or capital nature in which case they are credited to taxation and non-specific grant income. There is a requirement to assess whether income received has conditions attached and should therefore be considered grant income or another classification of income. This will allow the Council to ensure the correction presentation of revenue in line with the Code.	• We have reviewed management's processes for identifying whether they are agent or principal for grant income and ensured that the appropriate disclosures have been made in the statement of accounts • We have agreed a sample of grant income to third party documentation including the grant paying body to ensure that revenue has been correctly disclosed • We have reviewed supporting documentation to identify any conditions an ensure that the Council has complied with these • We have reviewed year end accruals to understand how these have been calculated and that these are appropriately accounted for. • We have reviewed the Council's assessment as to whether they are acting as principal or agent in the treatment and recognition of grant revenue, and specifically covid grant funding, and considered that this is appropriate We have not identified any issues in relation to this area and considered that the disclosures in the statement of accounts are appropriate.	Light Purple

Assessment

- Dark Purple We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- Blue We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- Grey We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- Light Purple We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.



Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit & Standards Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed. Our testing identified two control issues in relation to related parties: • Declarations of interest were not received from all officers • Declarations received were not signed by a senior authority as correct and to ensure that returns have been completed in full.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been requested from the Council, including specific representations in respect of the Group.
Confirmation requests from third parties	We requested from management permission to send confirmation requests for bank and investment balances. This permission was granted and the requests were sent. We have yet to receive confirmation for four investment balances and continue to work with management to complete this process. Any issues identified from this work will be reported to members at Audit Committee. We requested from management permission to send confirmation requests to the Pension Fund auditor. This permission was granted and the requests were sent. This confirmation has been provided and no further issues have been identified.
Accounting practices	Our review found no material omissions in the financial statements.
Audit evidence and explanations/ significant difficulties	All information and explanations requested from management were provided. We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

2. Financial Statements - other communication requirements

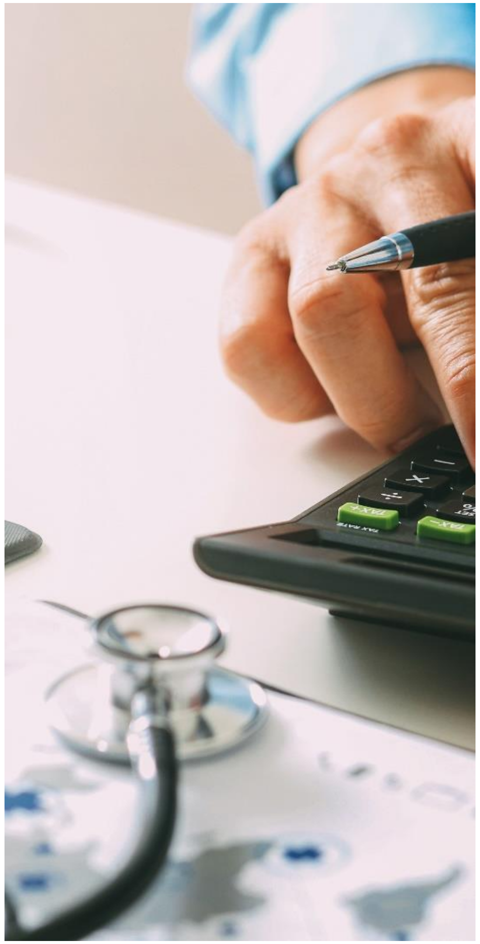
Our responsibility

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).

Issue	Commentary
Going concern	In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies. Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities: • the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities • for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Council's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Council meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated: • the nature of the Council and the environment in which it operates • the Council's financial reporting framework • the Council's system of internal control for identifying events or conditions relevant to going concern • management's going concern assessment. On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that: • a material uncertainty related to going concern has not been identified • management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

2. Financial Statements - other responsibilities under the Code

Issue	Commentary
Other information	We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. No inconsistencies have been identified.
Matters on which we report by exception	We are required to report on a number of matters by exception in a numbers of areas: • If the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the other information of which we are aware from our audit • If we have applied any of our statutory powers or duties We have nothing to report on these matters.
Specified procedures for Whole of Government Accounts	We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions. This work is not required at Sedgemoor District Council as they do not exceed the threshold required tor the completion of this work.
Certification of the closure of the audit	We intend to certify the closure of the 2021-22 audit of Sedgemoor District Council in the audit report.



3. Value for Money arrangements

Approach to Value for Money work for 2021/22

The National Audit Office issued its guidance for auditors in April 2020. The Code require auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)

Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:

Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.

Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.

Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

3. VFM - our procedures and conclusions

We have completed our VFM work and our detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside this report.

As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. In the Audit Plan presented to Committee we identified two potential significant risks. Work undertaken did not identify any weaknesses in arrangements in these areas. During the course of the audit we identified a further significant weakness in the Council's Treasury Management arrangements and so are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The table below details the weakness identified and the work undertaken.

Significant weakness identified during Audit	Procedures undertaken	Conclusion	Outcome
The CIPFA Treasury Management Code of Practice requires that as a minimum the Council should receive an annual report on the strategy for the coming year, a mid-year review, and an annual report on the performance of the treasury management function. This is to keep Members informed of the financial performance and associated risks with regard to borrowing and investing funds. Detailed cash flow forecasting ensures a proactive approach, allowing time to consider the most cost effective options when making treasury management decisions.	We have: • Reviewed Treasury Management reports provided to members • We have reviewed compliance in lien with the CIPFA Treasury Management Code • We have held discussions with management to understand the approach adopted • Reviewed cash flow forecasting processes.	The Council has not complied with the requirements of the CIPFA Treasury Management Code. The Audit and Standards Committee recommended the Treasury Management Strategy 2021/22 to Council for approval in February 2021, but the Strategy was not subsequently presented to Council. Members were not provided with a mid-year or annual report on treasury management activity and performance. The Council has not undertaken detailed cash flow monitoring, instead taking a more reactive approach of reviewing the cash balance at the bank each day and borrowing from local authorities for cash flow purposes as required.	Key recommendation - The Council should ensure it complies with the CIPFA Treasury Management Code of Practice and should also undertake detailed cash flow forecasting.

4. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors, that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, 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 May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix D

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see Transparency report 2020 (grantthornton.co.uk)

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the group. The following non-audit services were identified which were charged from the beginning of the financial year to, as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

We have made enquiries of component auditors and have confirmed their independence from the Council and Group and that they are not providing any non audit services that would impact on the group independence

Service	Fees £	Threats identified	Safeguards
Audit related			
Certification of Pooling of Housing Capital receipts	6,000	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 £6,000 in comparison to the total fee for the audit of £68,858 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 all mitigate the perceived self-interest threat to an acceptable level.
		Self review (because GT provides audit services)	To mitigate against the self review threat , the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants.
Certification of Housing Benefit Claim	17,250	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 £17,250 in comparison to the total fee for the audit of £68,858 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 all mitigate the perceived self-interest threat to an acceptable level.
		Self review (because GT provides audit services)	To mitigate against the self review threat , the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants.

Appendices

A. Action plan – Audit of Financial Statements

We have identified 9 recommendations for the group as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2021/22 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Medium	Review of the Fixed Asset Register identified that management had not updated the value of one asset in line with the valuer's report. This led to a material adjustment of the primary statements and there is a risk that asset values in the balance sheet are materially misstated	Management should ensure that processes in place to ensure consistency in information between Council records and third-party information are sufficiently robust to ensure all required amendments are appropriately processed **Management response** Agreed
Medium	Review of the disclosures for senior management remuneration identified that FTE salaries had been disclosed rather than actual gross salaries as required by the Code. Information was also presented on a person by person basis rather than by role. There is a risk that readers of the accounts will not be able to clearly assess senior officer remuneration in 2021-22.	Management should ensure that remuneration disclosures are completed in line with the requirements of the Code and that actual gross salaries are disclosed. **Management response** Agreed
Medium	Management have incorrectly calculated the value of Council Dwellings as a result of not using the appropriate Beacon value. This has resulted in a material adjustment to the balance sheet	Management should Review all calculations to ensure that material calculations are accurate. **Management response** […]
Medium	Review by management identified that investment income had been incorrectly allocated to net cost of services and not in the surplus or deficit on the provision of services as required by the Code. There is a risk that income will incorrectly allocated within the primary statements and that these will be materially misstated	Management should ensure a timely review of key information is undertaken to ensure that figures included in the primary statements are accurate. **Management response** […]

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

A. Action plan – Audit of Financial Statements

Assessment	Issue and risk	Recommendations
Low	The Code requires that where a bank account is in an overdraft position this should be disclosed as a liability on the face of the balance sheet. The Council have a bank overdraft in 2021-22 which is not material but is not disclosed. The cash and cash equivalent note provides clarity on the position and so it is considered that there is no attempt to mislead the reader of the accounts.	Management should ensure that all disclosures are in line with the requirements of the code **Management response** Agreed
Low	Testing identified four errors as a result of lease payment receivable calculations being incorrectly calculated. This is due to incorrect allocation of payments over years and also where changes in payments were noted in the leases, these were not being applied correctly - these errors resulted in the understatement of future payments. One error was noted where the overstated stated asset had resulted in future lease payments being allocated. As the asset was overstated these payments were also overstated and these have netted off against the underpayment.	Management should ensure that all disclosure notes within the statement of accounts are accurately calculated and completed in line with the requirements of the Code **Management response** Agreed
Low	Review of related parties identified two control issues: • Declarations of interest were not received from all officers • Declarations received were not signed by a senior authority as correct and ensure that returns have been completed in full	Management should ensure all returns are completed and reviewed as appropriate **Management response** Agreed
Low	A review of asset lives identified a number of assets that were fully depreciated and still operational. There is a risk that depreciation charges in year are not accurate and that useful economic lives are not appropriate	Management should revisit the useful economic lives assigned to assets and ensure that these are appropriate and that depreciation charges are accurately calculated **Management response** Agreed
Low	Within our work on assets under construction we identified that some assets were not moving into the appropriate class on a timely basis when construction has been completed. Further this had resulted in one asset not being valued in year by the valuer. The asset was valued on the basis of capitalising tarmac costs and not and income basis in line with other car parks.	The Council should ensure that assets are appropriately reclassified on a timely basis to reflect that they have been brought into operation **Management response** Agreed

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

B. Follow up of prior year recommendations

We identified the following issues in the audit of Sedgemoor District Council's 2020/21 financial statements, which resulted in 8 recommendations being reported in our 2020/21 Audit Findings report. We are pleased to report that management have implemented all of our recommendations.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	Initial review of Council dwellings in November – December 2021 identified that a blanket uplift of 7% had been applied to property valuations. The 7% is the regional uplift for the South West and no consideration had been given to local factors that could impact on the valuation of Council Dwellings within Sedgemoor. There is a risk that properties could be incorrectly valued leading to a material misstatement within the statement of accounts.	Management have employed the services of an external valuer to provide assurance over the valuation of Council dwellings. We have reviewed the approach taken by the valuer and are satisfied that this is in line with expectations and that appropriate indices have been used.
✓	Community Infrastructure Levy (CIL) has been included as a creditor receipt in advance within the draft statements. Testing of this disclosure in line with the Code identified that CIL is received without outstanding conditions and should, therefore, be recognised as income within the CIES. Where it has yet to be applied this should be transferred to useable reserves with the transfer recorded in the movement in reserves statement	We have reviewed the treatment of CIL in the 2021-22 financial statements and are satisfied that these have been accounted for appropriately
✓	Council dwellings are valued on a Beacon Property basis whereby an individual property is used as a proxy for other similar types of property to provide a valuation. Review of all property archetypes against the Beacon Properties identified that insufficient consideration had been given to the groupings. There is, therefore, a risk that the valuation of Council Dwellings is materially misstated.	Management have reviewed the basis on which Beacon Properties have been identified and how other properties have been allocated. This has confirmed that these assumptions are appropriate and that property archetypes are appropriately classified
✓	Testing of Other Land and Buildings and Investment Properties identified a number of assets for which supporting documentation could not be provided and therefore we were unable to support the valuations disclosed within the statement of accounts. This has required a further valuation exercise to be undertaken to provide a more robust valuation of assets within the statement of accounts	We have reviewed the assumptions used by the external valuer and have sample tested a number of items to ensure these have been correctly calculated. Management have provided supporting documentation and we are satisfied that this agrees to the information provide to, and used by the valuer
TBC	The Minimum revenue provision (MRP) includes capital receipts that have been applied to the overall provision. As per the Capital Finance Regulations 2003 the provision should be calculated after the application of capital receipts and not include these. There is a risk that MRP will not be prudent and that the Council will underprovide	Our work in this area is not yet complete for 2021-22. We have not identified any issues in the work completed to date and will update members on completion of this work

Assessment

✓ Action completed

X Not yet addressed

B. Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	No formal valuers report was provided for Council dwellings in line with the requirement of the code and there is a risk that valuations will not be properly reflected in the financial statements	A formal valuation report has been provided by the External Valuer for all assets valued in 2021-22
X	A review of asset lives identified a number of assets that were fully depreciated and still operational. There is a risk that depreciation charges in year are not accurate and that useful economic lives are not appropriate	Management have not changed their approach to this issue and therefore we have raised the recommendation again in 2021-22
X	Within our work on assets under construction we identified that some assets were not moving into the appropriate class on a timely basis when construction has been completed	Management have not changed their approach to this issue and therefore we have raised the recommendation again in 2021-22

Assessment

✓ Action completed

X Not yet addressed

C. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2022.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000
Revalued asset incorrectly included within the AFR leading to an overstatement of the asset value.	Dr Financing and Investment Income and Expenditure (£2,606)	Cr Investment Assets £2,600 Dr Unusable reserves (£2,600)	(£2,600)
Management have incorrectly calculated the value of Council Dwellings as a result of not using the appropriate Beacon value. This has resulted in a material adjustment to the balance sheet	Cr Surplus or deficit on revaluation of non current assets £7,254	Dr Council Dwellings £7,250 Cr Revaluation reserve (£7,250)	**£7,254**
Review by management identified that investment income had been incorrectly allocated to net cost of services and not in the surplus or deficit on the provision of services as required by the Code. There is a risk that income will incorrectly allocated within the primary statements and that these will be materially misstated	Dr Net cost of services (£1,945) Cr Surplus/deficit on provision of services £1,945		
Overall impact	**£4,648**	£0	**£4,648**

C. Audit Adjustments

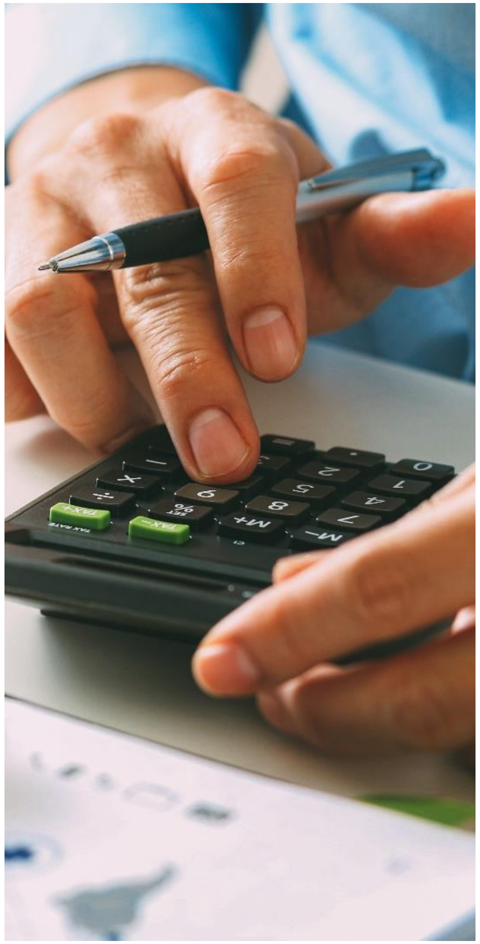
We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure omission	Auditor recommendations	Adjusted?
Within note 4 management had included a material uncertainty due to covid 19 in relation to Pension Fund housing assets and non operational assets. These disclosures were not included within the valuer's report or the pension fund disclosures and therefore do not impact the 2021-22 financial statements	Management should ensure all assumptions are supported by appropriate documented evidence	✓
Management had included FTE for senior officer remuneration disclosures and had disclosed on a person by person rather than by role. This is not in line with the requirements of the Code.	Management should ensure disclosures are completed in line with the requirements of the Code	✓
Future minimum lease payments have not been calculated in line with the supporting documentation and therefore values have been overstated within the disclosure note	Management should ensure all disclosures are accurately calculated and agreed back to supporting documentation	✓

C. Audit Adjustments



Impact of unadjusted misstatements

There are no unadjusted misstatement in 2021-22

Impact of prior year unadjusted misstatements

The table below provides details of adjustments identified during the prior year audit which had not been made within the final set of 2020/21 financial statements

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000	Reason for not adjusting
Purchase orders incorrectly accrued for at year end	(159)	159	159	Not material
Loan incorrectly recorded as grant received in advance	ST Borrowing 75 LT Borrowing 75	(150)	(150)	Not Material
Under provision of Minimum Revenue Provision (19-20 £194k 20-21 £478k)	672	(672)	672	Not material
Overall impact	**£663**	**(£663)**	**£663**	

D. Fees

We confirm below our final fees charged for the audit and provision of non-audit services.

Audit fees	Proposed fee	Final fee
Council Audit	£68,959	£74,959
Total audit fees (excluding VAT)	£68,959	£74,959

Details of variations in final fees from the proposed fee per the audit plan

- fees per financial statements £42,358
- Additional fees per audit plan awaiting PSAA approval £26,601
- Additional IAS19 work required in relation to the triennial pensions valuation £6,000
- total fees per above £74,959

Non-audit fees for other services	Proposed fee	Final fee
Audit Related Services		
Certification of Pooling of Housing Capital receipts	£6,000	£6,000
Certification of Housing Benefit Claim	£17,250	£17,250
Total non-audit fees (excluding VAT)	**£23,250**	**£23,250**

Audit fees – detailed analysis

Scale fee published by PSAA	£45,358
Raising the bar/regulatory factors	£3,125
Enhanced audit procedures for Property, Plant and Equipment	£688
Enhanced audit procedures for Pensions	£688
Additional work on Value for Money (VfM) under new NAO Code	£9,000
Increased audit requirements of revised ISAs 540	£2,100
Additional audit requirements relating to journals and grants testing	£3,000
Remote working	£5,000
Additional IAS19 procedures following the revised triennial pensions valuation	£6,000
Total proposed audit fees 2021/22 (excluding VAT)	***£74,959***