

## **EXTERNAL AUDIT – ANNUAL AUDIT LETTER**

### **1. Purpose**

The Council's external auditors have issued their Annual Audit Letter which provides an overall summary on completion of the Audit Commission's work at the Council. The report draws on audit work carried out at the Council relating to the 2016/17 financial year.

### **2. Recommendations/for decision**

- |     |   |
|-----|---|
| 2.1 | The Committee is asked to agree the contents of the external auditor's Annual Audit Letter. |
|-----|---|

### **3. Supporting information**

- 3.1 The external auditor's Annual Audit Letter for 2016/17 is attached at Appendix 1. In previous years, this report has been presented to the November Audit Committee meeting.
- 3.2 The Audit Committee's Terms of Reference include dealing with external and internal audit issues. This report allows formal recognition of our external auditor's report by a Committee of the Council.
- 3.3 The external auditor's Annual Audit Letter will be made available to the public on the Council's web site after it has been discussed at this meeting

### **4. Options considered**

- 4.1 None

### **5 Reasons for Recommendation**

- 5.1 The Annual Audit Letter is an essential element of the independent external audit process. This report has to be presented to a Committee of the Council for their consideration.

### **6 Resource implications**

- 6.1 None.

# Aylesbury Vale District Council

Annual Audit Letter for the year ended 31 March 2017

September 2017

Ernst & Young LLP



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Public Sector Audit Appointments Ltd (PSAA) have issued a “Statement of responsibilities of auditors and audited bodies”. It is available from the Chief Executive of each audited body and via the PSAA website ([www.psaa.co.uk](http://www.psaa.co.uk))

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

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

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

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

A hand with white nail polish is writing on a document with a blue pen. In the background, there is a calculator, a laptop, and a white mug. A yellow rectangular box is overlaid on the left side of the image.

## Executive Summary

## Executive Summary

We are required to issue an annual audit letter to Aylesbury Vale District Council (the Council) following completion of our audit procedures for the year ended 31 March 2017.

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

Area of Work	Conclusion
Opinion on the Council's: ▶ Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Council as at 31 March 2017 and of its expenditure and income for the year then ended.
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts.
Concluding on the Council's arrangements for securing economy, efficiency and effectiveness	We concluded that you have put in place proper arrangements to secure value for money in your use of resources.

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

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	The Council is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the consolidation pack.

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 25 <sup>th</sup> September 2017.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 25th September 2017.

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

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

Maria Grindley

Executive Director  
For and on behalf of Ernst & Young LLP

Purpose



## Purpose

### The Purpose of this Letter

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

We have already reported the detailed findings from our audit work in our 2016/17 Audit Results Report to the 25th September 2017 Audit Committee, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.





Responsibilities



## Responsibilities

### Responsibilities of the Appointed Auditor

Our 2016/17 audit work has been undertaken in accordance with the Audit Plan that we issued on 23<sup>rd</sup> January 2017 and is conducted in accordance with the National Audit Office's 2016 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
  - ▶ On the 2016/17 financial statements; and
  - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
  - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
  - ▶ Any significant matters that are in the public interest;
  - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
  - ▶ If we have discharged our duties and responsibilities as established by thy Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on you Whole of Government Accounts return. The Council is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the return. This is in line with the NAO Group instructions.

### Responsibilities of the Council

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

A blurred office desk with a laptop, glasses of water, and financial documents. The scene is brightly lit, likely from a window with blinds in the background. A yellow rectangular box is overlaid on the left side of the image, containing the text 'Financial Statement Audit'.

# Financial Statement Audit

## Financial Statement Audit

### Key Issues

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

We audited the Council's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office and issued an unqualified audit report on 25<sup>th</sup> September 2017.

Our detailed findings were reported to the 25<sup>th</sup> September Audit Committee.

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

Significant Risk	Conclusion
<p>Management override of controls</p> <p>A risk present on all audits is that management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to respond to this risk by testing the appropriateness of journals, testing accounting estimates for possible management bias and obtaining an understanding of the business rationale for any significant unusual transactions.</p> <p>For local authorities the potential for the incorrect classification of revenue spend as capital is a particular area where there is a risk of management override. We therefore review capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised.</p>	<ul style="list-style-type: none"><li>• We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in preparing the financial statements;</li><li>• We reviewed accounting estimates for evidence of management bias; and</li><li>• We evaluated the business rationale for any significant unusual transactions.</li></ul> <p>We have not identified any material weaknesses in controls or evidence of material management override.</p> <p>We have not identified any instances of inappropriate judgements being applied.</p> <p>We did not identify any other transactions during our audit which appeared unusual or outside the Authority's normal course of business.</p> <p>We noted a number of material errors in PPE but none which were indicative of management override. Further details of these errors can be found within the Other Reporting Issues Section within this report.</p>

Revenue and expenditure recognition

Auditing standards also required us to presume that there is a risk that revenue and expenditure may be misstated due to improper recognition or manipulation.

We respond to this risk by reviewing and testing material revenue and expenditure streams and revenue cut-off at the year end.

For local authorities the potential for the incorrect classification of revenue spend as capital is a particular area where there is a risk of management override. We therefore review capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised.

- ▶ We reviewed and tested revenue and expenditure recognition policies;
- ▶ We reviewed and discussed with management any accounting estimates on revenue or expenditure recognition for evidence of bias;
- ▶ We developed a testing strategy to test material revenue and expenditure streams;
- ▶ We reviewed and tested revenue cut-off at the period end date; and
- ▶ We reviewed and tested Capital spend to ensure the appropriateness of capital/revenue spending and coding.

Our testing has not identified any material misstatements from revenue and expenditure recognition.

Overall our audit work did not identify any material issues or unusual transactions to indicate any misreporting of the Authority's financial position.

Other Key Findings	Conclusion
Pension disclosures:	We have assessed and are satisfied with the competency and objectivity of the Aylesbury Vale actuary: Barnett Waddingham. EY Pensions team and PwC (Consulting Actuary to the NAO) have reviewed the work of the actuaries. We challenged the significant movement in the actuarial valuation and found no indication of management bias in this estimate. We have noted that PwC as part of their central review have reported that the discount rate applied by Barnett Waddingham falls outside the top end of their expected range. Our EY pensions team agree with this conclusion. In respect of Barnett Waddingham their conclusion was that 'the methodologies used to derive the discount rate and RPI inflation assumptions are not robust as they do not take adequate account of the duration of the schemes liabilities. In future years this could lead to unacceptable assumptions'. We noted no specific issue for Aylesbury Vale District Council in the current year as their estimated duration of scheme liabilities fell within the accepted range.
Property valuations:	We have assessed and are satisfied with the competency and objectivity of the valuers, Wilks Head & Eve We have undertaken appropriate audit procedures to verify and challenge critically the basis of valuation adopted by the valuer in relation to the Authority's assets, focusing in particular on specialist assets valued on a depreciated replacement costs basis. Our work in this area is concluded and we have not identified any issues that we need to report to you.
Notice of Public Inspection Period	As part of the 2016/17 audit we noted that Aylesbury Vale District Council had not fully complied with the NAO requirement that all audits needed to have a common inspection period. For 2016/17 audits this needed to include the first 10 working days of July i.e 3 <sup>rd</sup> July – 14 <sup>th</sup> July 2017. The other key requirements of the Notice of Public Inspection Period were fully complied with.

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

## Our application of materiality

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

Item	Thresholds applied
Planning materiality	<p>We determined planning materiality to be £1.910 million (2015/16: £1.957 million), which is 2% of Gross Revenue Expenditure reported in the accounts adjusted for any additional elements of expenditure reported below the line. The total amount upon which the calculation was based was £95.512 million.</p> <p>We consider Gross Revenue Expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.</p>
Reporting threshold	<p>We agreed with the Audit Committee that we would report to the Committee all audit uncorrected differences in excess of £0.096 million (2015/16: £0.098 million).</p>

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

- Remuneration disclosures including any severance payments, exit packages and termination benefits;
- Related party transactions.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.



A close-up, shallow depth-of-field photograph of a stack of coins. The coins are stacked vertically, with the edges of several coins visible. The lighting is warm, highlighting the metallic texture and the ridges on the edges. A bright yellow rectangular box is overlaid on the left side of the image, containing the text "Value for Money".

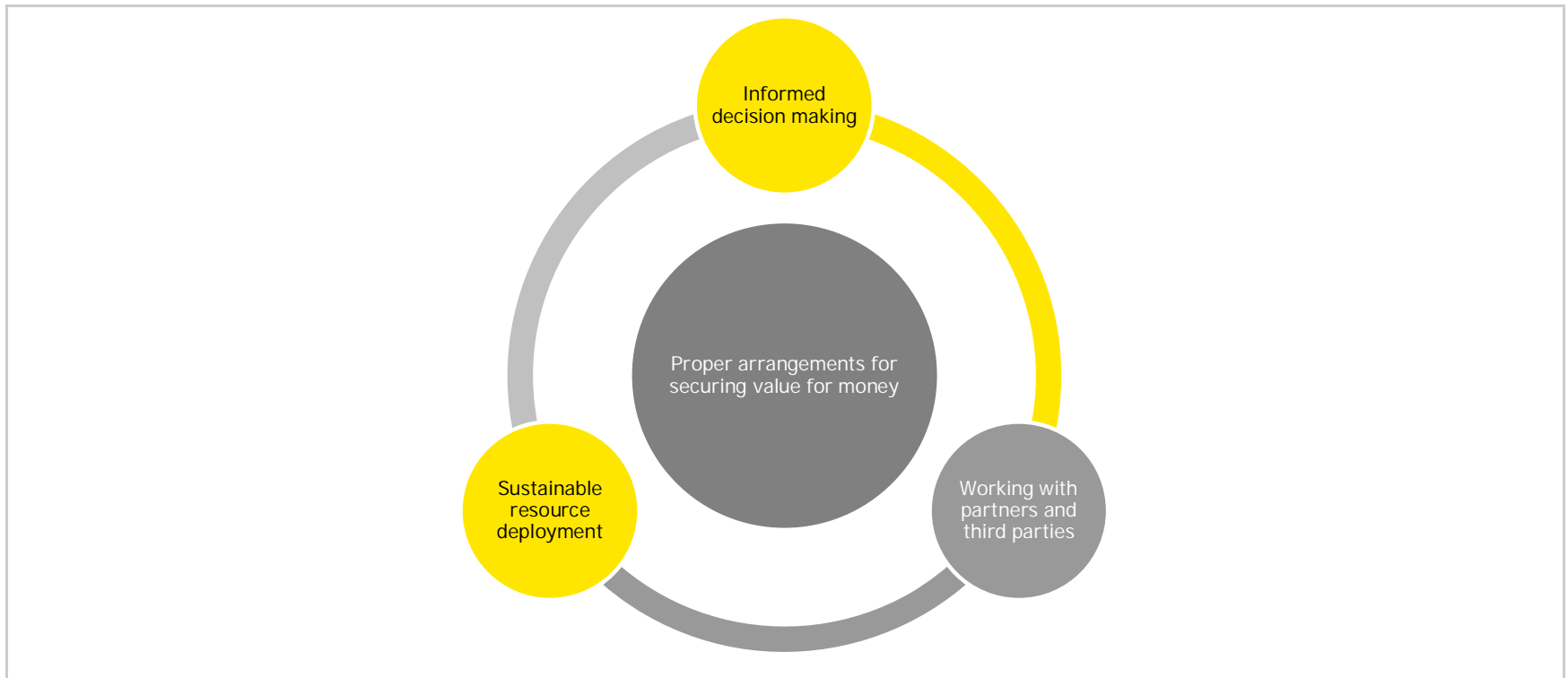
Value for Money

## Value for Money

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

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

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





We did not identify any significant risks in relation to these criteria.

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

We therefore issued an unqualified value for money conclusion on 25<sup>th</sup> September 2017.

#### What were our findings?

We noted as part of our review that the financial sustainability of Aylesbury Vale District Council has remained consistent year on year in respect of the Usable Reserves at the disposal of the Council. General Fund Balances (including Earmarked Reserves) decreased slightly from £36.011 million to £35.711 million. This gives Aylesbury Vale District Council a degree of certainty in uncertain times. This position is supplemented by a strong cash and short-term investment position of approximately £43 m. We note from discussions with officers that a number of different options are being investigated in respect of optimising returns on investments assets and wider income generation.

We note the Aylesbury Vale Transformation programme which commenced in 2016/17 and will conclude in 2017/18. This will bring considerable pressures on internal teams as the new structures develop and embed within the organisation. We also note that the impact of the Transformation programme is adequately reflected in the corporate risk register. This will need to continue to be actively monitored in the coming financial year and closely monitored against key Internal Audit Reports to assess any potential impact on the control environment. Discussions with officers in respect of this significant change have confirmed that this is an area which will be closely monitored in the coming year. We will revisit this area as part of our annual audit in 2017/18.

The next few years will undoubtedly bring further challenges including, but not limited to, a further reduction in core Government grants such as the Revenue Support Grant and New Homes Bonus as well as further continued pressures on areas of income previously classed as significant. Other challenges and uncertainty include the proposed retention of NDR which was announced by the then Chancellor at the time George Osborne. Recent performance has highlighted that the Council continues to respond well to the challenges it faces and will need to apply such an aptitude in the coming years as well. The Corporate Risk Register details those risks with clearer evidence that the Risk Register being used effectively to manage the risk environment in which the Council operates.



Other Reporting  
Issues

## Other Reporting Issues

### Whole of Government Accounts

The Council is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the consolidation pack.

### Annual Governance Statement

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

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

### Report in the Public Interest

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

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

### Written Recommendations

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

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

### Objections Received

We did not receive any objections to the 2016/17 financial statements from members of the public.

### Other Powers and Duties

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

## Independence

We communicated our assessment of independence in our Audit Results Report to the Audit Committee on 25 September 2017. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

## Control Themes and Observations

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

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

There were a number of errors identified this year, and previous years, in respect of the accounting for and financial reporting of PPE within the financial statements. There was also an internal audit report which raised some findings on PPE. Given some of the staffing changes within the Finance team, it is vital that this area of the financial statements is appropriately managed and controlled to ensure that the errors identified are not replicated in future years. Below, we note the key findings and recommendations:

The matters reported are shown below and are limited to those deficiencies that we identified during the audit and that we concluded are of sufficient importance to merit being reported.

Description	Impact
1. 5 Year Valuation Policy:	An approved 5 year valuation plan should be prepared and reviewed to ensure that all assets are scheduled to be revalued within a 5 year cycle. We noted this year a number of assets which were outside that cycle and so had to be reviewed on ad hoc basis during the summer.
2. Valuation Postings:	Checking of valuation adjustments should be completed by an appropriately qualified member of staff to ensure that postings can be agreed back to the valuers report. We noted this year a number of errors in this area and as a result additional work had to be completed internally and externally to correct these. As we move towards the Faster Close Arrangements for the 2017/18 audit and timescales become tighter, it will be vital that errors are minimised where possible to ensure certification of the audit on time.
3. Economic Lives:	We also noted an issue in respect of how useful lives were being used to calculate depreciation. Depreciation was being calculated on updated asset lives determined at the year end. The correct treatment should have been to use the brought forward useful lives. As a result the depreciation postings had to be unwound, re-input and re-assessed.



A close-up photograph of a person's face as they look through a pair of black binoculars. The person's eyes are focused on the lenses, and their hands are visible holding the device. The background is a soft, out-of-focus white. A bright yellow rectangular box is overlaid on the left side of the image, containing the text "Focused on your future".

Focused on your  
future

## Focused on your future

### Accounting Update

Since the date of our last report to the Audit Committee, new accounting standards and interpretations have been issued. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Area	Issue	Impact
<i>IFRS 9 Financial Instruments</i>	<p>Applicable for local authority accounts from the 2018/19 financial year and will change:</p> <ul style="list-style-type: none"> <li>• How financial assets are classified and measured</li> <li>• How the impairment of financial assets are calculated</li> <li>• Financial hedge accounting</li> <li>• The disclosure requirements for financial assets.</li> </ul> <p>Transitional arrangements are included within the accounting standard, however as the 2018/19 Accounting Code of Practice for Local Authorities has yet to be issued it is unclear what the impact on local authority accounting will be and whether any accounting statutory overrides will be introduced to mitigate any impact.</p>	<p>Although some initial thoughts on the approach to adopting IFRS 9 have been issued by CIPFA, until the Code is issued and any statutory overrides are confirmed there remains some uncertainty. However, what is clear is that the Council will have to:</p> <ul style="list-style-type: none"> <li>• Reclassify existing financial instrument assets</li> <li>• Remeasure and recalculate potential impairments of those assets; and</li> <li>• Prepare additional disclosure notes for material items</li> </ul> <p>The Council is awaiting clarification of the exact requirements before investing time in the above work.</p>
<i>IFRS 15 Revenue from Contracts with Customers</i>	<p>Applicable for local authority accounts from the 2018/19 financial year. This new standard deals with accounting for all contracts with customers except:</p> <ul style="list-style-type: none"> <li>• Leases;</li> <li>• Financial instruments;</li> <li>• Insurance contracts; and</li> <li>• for local authorities; Council Tax and NDR income.</li> </ul> <p>The key requirements of the standard cover the identification of performance obligations under</p>	<p>As with IFRS 9, some initial thoughts on the approach to adopting IFRS 15 have been issued by CIPFA. However, until the Code is issued there remains some uncertainty. However, what is clear is that for all material income sources from customers the Council will have to:</p> <ul style="list-style-type: none"> <li>• Disaggregate revenue into appropriate categories;</li> <li>• Identify relevant performance obligations and allocate income to each; and</li> <li>• Summarise significant judgements.</li> </ul> <p>The Council is awaiting clarification of the exact requirements before investing time in the above work.</p>

Area	Issue	Impact
	<p>customer contracts and the linking of income to the meeting of those performance obligations.</p> <p>There are transitional arrangements within the standard; however as the 2018/19 Accounting Code of Practice for Local Authorities has yet to be issued it is unclear what the impact on local authority accounting will be.</p>	
<p><i>IFRS 16 Leases</i></p>	<p>IFRS 16 will be applicable for local authority accounts from the 2019/20 financial year.</p> <p>Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for local authorities who lease in a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet.</p> <p>There are transitional arrangements within the standard, although as the 2019/20 Accounting Code of Practice for Local Authorities has yet to be issued it is unclear what the impact on local authority accounting will be or whether any statutory overrides will be introduced.</p>	<p>Until the 2019/20 Accounting Code is issued and any statutory overrides are confirmed there remains some uncertainty in this area.</p> <p>However, what is clear is that the Council will need to undertake a detailed exercise to classify all of its leases and therefore must ensure that all lease arrangements are fully documented.</p> <p>The Council is as yet to commence work in this area due to the timing of implementation.</p>
<p><i>Earlier deadline for production and audit of the financial statements from 2017/18</i></p>	<p>The Accounts and Audit Regulations 2015 introduced a significant change in statutory deadlines from the 2017/18 financial year. From that year the timetable for the preparation and approval of accounts will be brought forward with draft accounts needing to be prepared by 31 May and the publication of the audited accounts by 31 July.</p>	<p>We acknowledge the work completed by the Council's staff in achieving a hard close to the accounts and preparation of the draft financial statements by 31<sup>st</sup> May 2017. The council achieved this by critically reviewing and amending the closedown process to achieve draft accounts production by 31<sup>st</sup> May for 2016/17;</p> <p>To build on this achievement and prepare for this change in 2017/18 the Council could undertake a number of steps as outlined below:</p> <ul style="list-style-type: none"> <li>• Streamlining the Statement of Accounts removing all non-material</li> </ul>

Area	Issue	Impact
		<p>disclosure notes;</p> <ul style="list-style-type: none"> <li>• Bringing forward the commissioning and production of key externally provided information such as IAS 19 pension information, asset valuations;</li> <li>• Provided training to departmental finance staff regarding the requirements and implications of earlier closedown;</li> <li>• Re-ordering tasks from year-end to monthly/quarterly timing, reducing year-end pressure;</li> <li>• Establishing and agreeing working materiality amounts with external audit.</li> </ul> <p>As auditors, nationally we have:</p> <ul style="list-style-type: none"> <li>• Issued a thought piece on early closedown;</li> <li>• As part of the strategic Alliance with CIPFA jointly presented accounts closedown workshops across England, Scotland and Wales; and</li> <li>• Presented at CIPFA early closedown events and on the subject at the Local Government Accounting Conferences in July 2017.</li> </ul> <p>Locally we have:</p> <p>Had regular discussions through the year on the Council’s proposals to bring forward the closedown timetable</p> <p>Together with the Council we agreed areas for early work which have included testing of major income and expenditure streams at month 9, reviewing calculation and allocation of depreciation charges, discussing and agreeing material estimation procedures by end of March. We also tested other areas of the accounts where possible including, for example, exit packages.</p>



Appendix A

# Audit Fees



## Appendix A    Audit Fees

Our fee for 2016/17 is in line with the scale fee set by the PSAA and reported in our 23 January 2017 Audit Plan.

Description	Final Fee 2016/17 £	Planned Fee 2016/17 £	Scale Fee 2016/17 £	Final Fee 2015/16 £
Total Audit Fee – Code work	56,785	56,785	56,785	56,785
Total Audit Fee – Certification of claims and returns –	TBC	12,450	12,450	17,411**
Total Audit Fee – Fee for additional work in respect of errors identified*	TBC	N/A	N/A	N/A
<b>Total</b>	<b>TBC</b>	<b>69,235</b>	<b>69,235</b>	<b>74,196</b>

NB We have not completed the work yet in respect of the 2016/17 Housing Benefit subsidy audit. The deadline for completion of that work is 30<sup>th</sup> November 2017. We will bring an update in respect of the final fee on the Housing Benefit subsidy audit to a later Audit Committee post certification.

\*We identified a number of errors on PPE which required additional time to complete. We will calculate the impact of these in terms of any additional fee to be charged and should an additional fee be required we will consult with senior officers. In line with the requirements of the PSAA any additional fee will need to be formally approved by them before being billed.

\*\* Includes an additional fee charged in 2015/16 in light of the errors identified on the Housing Benefit certification claim.

We confirm we have not undertaken any non-audit work outside of the PSAA's requirements.

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ED None

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