

Auditor's Annual Report

West Lindsey District Council – year
ended 31 March 2022

January 2023



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Section 01: **Introduction**

1. Introduction

Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for West Lindsey District Council ('the Council') for the year ended 31 March 2022. Although this report is addressed to the Council, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



Opinion on the financial statements

We issued our audit report on 30 November 2022. Our opinion on the financial statements was unqualified.



Value for Money arrangements

In our audit report issued, on the 30 November 2022, we reported that we had not completed our work on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources and had not issued recommendations in relation to identified significant weaknesses in those arrangements at the time of reporting. Section 3 confirms that we have now completed this work and provides our commentary on the Council's arrangements. No significant weaknesses in arrangements were identified and there are no recommendations arising from our work.



Wider reporting responsibilities

We have not yet received group instructions from the National Audit Office confirming their requirements in relation to the Council's Whole of Government Accounts. We are unable to issue our audit certificate until this is formally confirmed.

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts. We did not receive any questions or objections in respect of the Council's financial statements.

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Section 02:

Audit of the financial statements

2. Audit of the financial statements

The scope of our audit and the results of our opinion

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs).

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Council and whether they give a true and fair view of the Council's financial position as at 31 March 2022 and of its financial performance for the year then ended. Our audit report, issued on 30 November 2022 gave an unqualified opinion on the financial statements for the year ended 31 March 2022.

Our Audit Completion Report 2021/22, presented to the Council's Governance and Audit Committee on the 29 November 2022, provides further details of the findings of our audit of the Council's financial statements. This includes our conclusions on the identified audit risks and areas of management judgement, internal control recommendations and audit misstatements identified during the course of the audit. There are no matters raised in our Audit Completion Report 2021/22 that we need to repeat in this report.

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Section 03:

Commentary on VFM arrangements

3. Commentary on VFM arrangements

Overall summary



3. VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services

Governance - How the Council ensures that it makes informed decisions and properly manages its risks

Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Council has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

Where we identify significant risks, we design a programme of work (risk-based procedures) to enable us to decide whether there is a significant weakness in arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Where our risk-based procedures identify actual significant weaknesses in arrangements, we are required to report these and make recommendations for improvement.

The table on the following page summarises the outcomes of our work against each reporting criteria. We did not identify any risks of significant weakness, or actual significant weakness, in the Council's arrangements.

3. VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting Criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
Financial sustainability	11	No	No	No
Governance	15	No	No	No
Improving economy, efficiency and effectiveness	19	No	No	No

3. VFM arrangements – Overall summary

Context of the Auditor’s Annual Report

Our Auditor’s Annual Report summarises the work we have undertaken as the auditor for West Lindsey District Council for the year ended 31 March 2022, where at the time of reporting in January 2023, we recognise that the social, political and economic environment has changed and local government is facing significant challenges including:

- **Cost of Living:** With most people experiencing financial pressure, spending habits are changing. High energy costs and increasing food prices have impacted on levels of disposable income. With wage (and potentially benefit) increases failing to keep pace with inflation, more people will be facing hardship.
- **Added budget pressures:** With inflation soaring, the cost of goods, services and resources are becoming more expensive. Local authorities are not immune to the increasing cost of energy supply, although the government announcements on energy caps help, many local authorities are still facing higher costs. Local authorities typically budget for modest salary increases year on year, but expectations and demands on salary increases have changed and consideration on how they are to be funded is required.
- **Cost of Borrowing:** The Bank of England base rate rose to 3.5% in December 2022 meaning that the cost of borrowing has increased significantly.
- **Contractors and Suppliers:** The cost-of-living crisis has resulted in business failures. Although government support has been announced, some

businesses will continue to struggle, with a greater risk of supplier failure. Supply failures anywhere in the supply chain will have a knock-on effect.

- **Service Delivery:** Likely budget reductions and savings plans are going to impact the ability of local authority services to maintain levels of delivery, particularly at a time of increased demand.

We maintain a watching brief over the key issues facing the Council and, should we identify a risk of significant weakness in arrangements, will follow the process as described at page 9 to promptly raise these with management and issue any reports to the Governance and Audit Committee as part of our audit for the year ending 31 March 2023.

3. Commentary on VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services



3. VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

Background to the Council’s operating environment in 2021/22

The Council entered 2021/22 with the Covid-19 pandemic still significantly impacting daily lives although the national restrictions and safety measures were steadily being relaxed as the Country sought to recover from a very difficult period. The Council was continuing to deal with a wide range of issues to support local residents and businesses and had an improving understanding of the issues faced in the emerging post-pandemic environment.

2021/22 Financial statement performance

We have carried out a high level analysis of the audited financial statements, including the Comprehensive Income and Expenditure Statement, the Balance Sheet and Movement in Reserves Statement.

The Council’s financial position as reported in the balance sheet does not give us cause for concern relating to financial stability. Net current assets were £3.8m (£4.2m at end of previous year), with cash and cash equivalents increasing by £3.1m.

The most significant change in the balance sheet relates to movements in the Council's share of the pension fund net liability (being a deficit position) of £40.1m, down from £47.4m in the prior year. This reflects the £1.9m reduction in the estimated present value of the pension obligation and the £5.4m increase in the estimated Council’s share of the Pension Fund assets. It is not unusual to see

material movements in the net pension liability and this is consistent with our experience at other local authorities. The deficit position is not unusual and is a recognised area of longer term financial challenge for local authorities.

The Council's useable reserves totalled £28.6m at the end of 2021/22 (£29.1m at the end of the previous year), with:

- General Fund and Earmarked Reserves of £24.7m (£25.5m in previous year); and
- Capital Receipts and Grants Reserves of £3.9m (£3.6m in previous year).

These reserves provide some mitigation against future financial challenges, and include specific reserves (Finance Risks Reserve £1.8m, Investment for Growth Fund Reserve £7.1m and Business Rates Volatility Reserve £2.5m) to address future volatility and support investment plans. The Council will need to continue to ensure that any use of reserves to smooth the financial position over the next few years is properly planned and the use of reserves cannot be relied on to provide a long term solution to funding gaps. Notwithstanding this, our work has not highlighted a risk of significant weakness in the Council’s arrangements for ensuring financial sustainability.

3. VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria - continued

Financial planning and monitoring arrangements

In March 2021 the Council set a balanced General Fund budget for the 2021/22 financial year whilst recognising the continuing uncertainty associated with the impact of Covid-19. During the year the Council reported its financial position through the quarterly financial performance reports and the Corporate Policy and Resources Committee maintained close oversight on performance. We reviewed a sample of reports presented for 2021/22, which contain detail on any significant variances to budget and budget revisions, use of earmarked reserves and updates on performance against savings targets. The reports also contain relevant information on progress against the approved capital programme.

The Council reported the final revenue outturn position for the 2021/22 year as a surplus of £0.7m, after approved £0.8m for carried forward budgets. We have considered the arrangements in place in respect of budget management as part of the Governance criteria on page 17 and not identified any significant weaknesses.

Arrangements for the identification, management and monitoring of funding gaps and savings

The Medium Term Financial Plan (MTFP) is a current plus four year plan which sets out the Council's commitment to provide services that meet the needs of people locally and that represent good value for money within the overall resources available to it. A key part of the strategy is to highlight the budget issues that will need to be addressed by the Council over the coming financial years, by forecasting the level of available resources from all sources and budget pressures relating to

both capital and revenue spending as well as assessing sufficient reserves and provisions are held for past and unknown events which may impact on the Council's resources. The MTFP is prepared alongside other plans and strategies (for example the workforce planning and Capital and Investment Strategies). There is a process in place for challenging any growth items and agreeing the achievability of planned savings.

Arrangements and approach to 2022/23 financial planning

The arrangements for the 2022/23 budget setting process largely followed the arrangements in place for 2021/22.

A balanced General Fund budget for 2022/23 was approved at the March 2022 Council meeting with any required savings confidently expected to be covered by actions in hand, including the ongoing transformation work within the Together24 programme. There was an acknowledgement in preparing the MTFP that the roll over of the Local Government Funding Settlement meant that some of the expected changes from the Fair Funding Review and in relation to New Homes Bonus and any Business Rates reset were not enforced. Changes in these areas were regarded as a risk through expected loss of funding so their deferral represented a gain to the Council's immediate financial position. Alongside this the report highlights the challenging national economic position with pay and price inflation, particularly for fuel and utilities, already high and forecast to rise to increase to potentially record levels. These factors and the continuing uncertainty makes strategic financial planning difficult for Councils.

3. VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria - continued

The MTFP 2022-23 to 2026/27 forecast a balanced budget for 2022/23 but funding gaps for each of the years from 2023/24 onwards rising to £1.9m by 2026/27. To balance its budget the Council has, as described above, established reserves to support its planned transformation and savings process and to address volatility in funding and identified the need to invest in regeneration and growth to increase the underlying tax bases.

The Corporate Policy and Resources Committee reviewed the budget position in November 2022 as part of its Q2 budget monitoring process. The report identifies a forecast 2022/23 additional net contribution to reserves of around £0.2m, with the main variances to date reflecting increases in expenditure (staff pay award and fuel costs) and income (investment interest and planning fees) beyond those originally expected when the budget was set. The report sets out the budget risks going forwards (including the cumulative impact of the 2022/23 pay award, rising fuel costs and wider inflationary pressures), which reflect those being experienced across the sector, and the mitigations being put in place by management. The report also summarises progress against the capital programme and the steps being taken to rephase the profile of the projects to reflect the updated expected delivery timescale.

Based on the above considerations we are satisfied there are no significant weaknesses in the Council's arrangements in relation to financial sustainability.

3. Commentary on VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks



3. VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

Risk management and monitoring arrangements

The Council has an established risk management framework and systems in place which are built into the governance structure of the organisation. There is an approved Risk Management Strategy which includes the Council’s approach, guidance, the Council’s risk appetite and roles and responsibilities. The Governance and Audit Committee receives regular reports on the Council’s Strategic Risks and provides oversight on the risk management arrangements in place and the adequacy of the controls and proposed actions. These arrangements are consistent with what we would expect at a local authority and are adequate for the Council’s purposes.

In order to provide assurance over the effective operation of internal controls the Council has engaged Assurance Lincolnshire to provide its internal audit service. Assurance Lincolnshire’s Audit and Risk Manager acts as Head of Internal Audit and the service has been externally assessed as meeting the Public Sector Internal Audit Standards. The annual Internal Audit plan is agreed with management at the start of the financial year and is reviewed by the Governance and Audit Committee prior to final approval.

The audit plan is based on an assessment of risks the Council faces and is designed to ensure there is assurance on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control. The planned work can be supplemented if necessary by ad hoc reviews in respect of suspected irregularities and other work commissioned by Officers and Members of the Council where relevant to respond to emerging risks and issues. We have reviewed the Internal Audit plans for 2021/22 and 2022/23 and confirmed they are consistent with the risk based approach.

Internal Audit progress reports are presented to Governance and Audit Committee meetings including follow up reporting on recommendations from previous Internal Audit reports. From our attendance at meetings, we are satisfied this allows the Committee to effectively hold management to account. At the end of each financial year the Head of Internal Audit provides an Annual Report including an opinion on the Council’s governance, risk and control framework based on the work completed during the year. For 2021/22 the Head of Internal Audit concluded that the Council’s arrangements for Governance, Risk and Financial Control were ‘performing well’ (with no significant concerns identified that significantly affected the framework) and the Internal Controls arrangements ‘performing adequately’. We have reviewed the Annual Report and are satisfied that the Head of Internal Audit’s opinion does not indicate any significant weaknesses in the Council’s governance arrangements.

The Council is part of the County Fraud Partnership, has an anti-fraud and corruption policy and a whistle blowing policy. The Council carries out proactive anti-fraud work, such as the regular Council Tax Single person discount reviews, and partakes in the bi-annual National Fraud Initiative. An annual fraud report is taken to Governance and Audit Committee. We have reviewed the Annual Fraud Report 2021/22 and have not identified any significant concerns with these arrangements.

Throughout the year we have attended Governance and Audit Committee meetings. Through attendance at these meetings we have confirmed that the committee receive regular updates on both internal audit progress and risk management in the form of risk registers. We have seen active Member engagement from the Committee who challenge the papers and reports which they receive from officers, internal audit and external audit.

3. VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

Arrangements for budget setting and budgetary control

The Council has an established set of governance arrangements in place for budget setting and control. The process is set out and approved through the Constitution, which encompasses the Budgetary and Policy Framework Procedure rules. The framework includes:

- Clear responsibilities, including the role of the Section 151 Officer in leading the budget setting process and providing professional advice, and the reservation of the approval of the Budget to the Council based on the Corporate Policy and Resources recommendation.
- Budget setting guidance to managers, with the process ensuring an early understanding of the key relevant factors and future budget requirements. Although existing budgets are in most cases used as a basis for determining the next year's estimates, they are not merely rolled forward. There is early challenge to, amongst other things, staff number assumptions and growth and savings proposals.
- Close working between the finance team and with external advisors and neighbouring councils to determine the key budget assumptions, which are challenged and agreed through the budget review process by Management, Corporate Policy and Resources Committee and Council.

Following approval of the budget, budget monitoring commences to monitor progress against targets. Budget monitoring responsibilities of budget holders are documented and they are supported in this role by the finance team.

Budget monitoring reports are produced on a monthly basis and there are regular meetings held, including finance team members, to discuss the financial performance and forecasts. There are rules in place regarding the reporting of budget variances and the requirement to operate within approved budgets. Towards the end of 2021/22 the Council implemented a new Enterprise Resource Planning system which will further strengthen the underlying financial management arrangements in future years.

There are similar processes and controls in place for development and control of the capital programme alongside the revenue budget setting. The Treasury Strategy reports (encompassing the Treasury Management and Capital Investment Strategies) are approved at the same time as the revenue budgets and monitored and reported on throughout the year.

There are the rules in place regarding virements within budget cost centres and adjustments to the original budget required by changes in Council policy must be approved by the relevant policy committee or by the Council. Quarterly Financial performance monitoring reports are presented to the Corporate Policy and Resources Committee. The reports cover spend and income to date and forecast against budget, Capital Programme progress and Treasury Management activities. and forecast significant variations are investigated and reported on, together with any corrective action being taken. Our review of the relevant meeting minutes confirmed there was challenge and scrutiny of the process and any material budget variances were identified and explained at an appropriate stage. The Committee approves and tracks the use of earmarked reserves throughout the year. There were no significant unexpected over or underspends reported at the year-end.

3. VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

Decision making arrangements and control framework

The Council has an established governance structure in place which is set out within its Annual Governance Statement (AGS). We reviewed the AGS and considered the Governance and Audit Committee’s review of the AGS and monitoring of actions throughout the year in relation to any significant governance issues.

The governance structure, as described in the AGS includes amongst other things the Constitution and the scheme of delegation which shows the levels of authority required for all key decisions. The AGS sets out the governance principles which the Council are committed to and within which the Council conducts its business and affairs. The AGS identifies the arrangements in place to enable the Council to meet the good governance principles identified.

The required Standards Committee arrangements are in place designed to promote and maintain high standards of conduct by members and co-opted Members of the District Council and of the Town and Parish Councils within the District. We have reviewed the Standards Sub-Committee’s minutes in the year and not identified any matters of concern.

The Constitution is kept under review and updated as required. The Constitution sets out how the Council operates, how decisions are made and the procedures to support the Council’s aims of being transparent and accountable. The Constitution includes the Budget and Policy Framework Procedure Rules, Financial Procedure Rules and Contract and Procurement Procedure Rules and the Members’ code of conduct.

There are Overview and Scrutiny Committee arrangements in place to support the work of the other Committees and the Council as a whole. The Overview and Scrutiny Committee has a work programme in place to steer their coverage of services and policy decisions taken. The Constitution includes the Overview and Scrutiny Committee procedure rules, which cover the arrangements for call in of decisions. We have reviewed the Overview and Scrutiny Committee’s minutes throughout the year and not identified any concerns.

Regulators

There are few external regulators for district councils and we have not identified any matters reported which indicate significant weaknesses in the Council’s governance arrangements. We reviewed the Local Government and Social Care Ombudsman’s (LGSCO) 2021/22 report which was considered by the Governance and Audit Committee at its October 2022 meeting. The Committee report summarised management’s response to the matters raised by LGSCO and included comparative information for similar councils.

Based on the above considerations we are satisfied there are no significant weaknesses in the Council’s arrangements in relation to governance.

3. Commentary on VFM arrangements

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services



3. VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria

Performance Management

The 2019-23 Corporate Plan sets out the Council's strategic aims and objectives, and key intended outcomes for the Plan's four years. The Council has identified the key performance indicators, and target levels of performance, in relation to these priorities. The performance targets are informed by national standards, local benchmarking and experience and subject to initial challenge and confirmation.

The Council has in place a performance management framework which includes identified responsibilities of managers and processes for regular performance reporting and corrective action if required. There is quarterly reporting to the Prosperous Communities and Corporate Policy and Resources Committees. These quarterly reports identify whether the performance is on/off track and its direction of travel. They include appropriate commentary to explain any significant factors which are affecting performance and actions being taken to correct performance.

On an annual basis, the Council's overall performance is summarised in the Narrative Report as part of the Statement of Accounts. This outlines the Council's progress against its ambitions, highlighting key successes and risk areas. The Narrative Report also includes an agreed plan for subsequent years, including any areas for improvement. This provides the public with an overall assessment of the Council activities for the financial year

We reviewed a sample of the detailed performance reports and reviewed the Prosperous Communities and Corporate Policy and Resources Committees' minutes which demonstrate the Committees' review and challenge of the quarterly reports. The quarterly reports demonstrate that performance has been managed

throughout 2021/22 and any significant variances have been justified, with no major unexpected gaps in performance at the year end. The process has continued into 2022/23, with the process now including formal Performance Improvement Plan reporting where performance is below target for two consecutive quarters or more. Overall, we believe there is sufficient evidence to demonstrate adequate arrangements for performance monitoring and management at the Council.

Partnerships

There are a number of significant partnership arrangements in place and some key support services (for example payroll, ICT and Business Rates collection) are provided through agreements with neighbouring councils. There are relevant governance frameworks in place for these partnership arrangements and the Council continues to keep its role in these activities under review.

The Council is 100% shareholder of a group of companies. The group is made up of a holding company, an acquired limited company providing temporary staff and a 'Teckal' company that provides services solely to the Council. The Council's transactions with these companies are properly disclosed in the financial statements and there are relevant governance arrangements in place. The turnover of these companies is not material.

The Council has also, since 2016/17, been party to a joint venture - Market Street Renewal Limited. The company was primarily set up for the development and renovation of Market Street in Gainsborough. The Council's total investment in this venture at the end of 2021/22 was around £0.34m. There is a governance and performance management framework in place for this arrangement.

3. VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria - continued

Commercial investments

The Council has a significant Investment Property portfolio, valued at 31 March 2022 at £21.7m. There is an underlying strategy and appropriate framework for approving and managing these investments, including regular monitoring of performance against target returns.

The majority of the portfolio has been funded through borrowing. Local authorities are required each year to set aside some of their revenues as provision for debt in respect of capital expenditure financed by borrowing or long term credit arrangements. The amount to be set aside each year (the Minimum Revenue Provision) has not been prescribed although an overarching principle of prudence is expected to be adopted. The Council has not committed to set aside a MRP for commercial investment properties where the asset was expected to be held for a set period, at the end of which a capital receipt was expected to be realised and funds available to repay borrowing. The policy stated that the Council may choose to make a voluntary revenue provision and a payment was made in 2021/22 equivalent to the amount expected in the centrally issued MRP Statutory Guidance.

In our 2021/22 Audit Completion Report we reported that we had again challenged management regarding their justification for the policy in the context of the MRP Statutory Guidance and were satisfied that the financial statements were not materially misstated. We also note that in the approved 2022/23 Capital Investment Strategy the Council has adopted a MRP policy in line with the Statutory Guidance which includes a requirement for an annual charge to be made for borrowing undertaken to finance commercial investment properties.

Procurement

The Council has Contract and Procurement Procedure Rules in place which outlines how the procurement of goods, works and services is achieved. These documents take into account latest legislative and operational changes at the Council, and provide a corporate framework for the procurement of goods, works and services. There are also controls in place designed to ensure that all procurement activity is conducted with openness, honesty and accountability. The Council worked through the Lincolnshire Procurement Partnership which provided access to specialist procurement services and savings and has its own specialist procurement staff. The Council has specific arrangements through standing financial instructions and purchase order controls and our work on the financial statements has not identified any significant internal control deficiencies in these areas.

Based on the above considerations we are satisfied there are not significant weaknesses in the Council's arrangements in relation to improving economy, efficiency and effectiveness.

04

Section 04:

**Other reporting responsibilities and
our fees**

4. Other reporting responsibilities and our fees

Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did not receive any such objections or questions.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

We have not yet received group instructions from the National Audit Office confirming their requirements in relation to the Council's Whole of Government Accounts. We are unable to issue our audit certificate until this is formally confirmed.

4. Other reporting responsibilities and our fees

Fees for work as the Council's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum and Audit Completion Report presented to the Governance and Audit Committee in March and November 2022 respectively. Having completed our work for the 2021/22 financial year, we can confirm that our fees are as follows.

Area of work	2021/22 fees	2020/21 fees
Scale fee in respect of our work under the Code of Audit Practice	£33,420	£33,420
Additional testing as a result of changes arising from increased audit quality expectations involving the work on the valuation of land and buildings and on the local government pension scheme	£7,067*	£7,067
Additional testing as a result of the implementation of new auditing standards	£2,000*	£2,000
Additional work as a result of the new Code of Audit Practice and VFM reporting	£8,000*	£8,000
Additional work arising from the changes to the Council's core accounting systems	£3,000*	-
Total fees	£53,487	£50,487

* Fee variations subject to approval and confirmation by Public Sector Appointments Ltd.

Fees for other work

We confirm that we undertook the following non-audit service for the Council in the year.

Certification of the 2020/21 Housing Benefit Subsidy Claim £6,000

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*where permitted under applicable country laws.