Annex 3

The Annual Audit Letter for Royal Borough of Kingston upon Thames

Year ended 31 March 2020

April 2021

Contents

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Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Royal Borough of Kingston upon Thames Council (the Council) for the year ended 31 March 2020.

This Letter is intended to provide a commentary on the results of our work to the Council and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Council's Audit Committee as those charged with governance in our Audit Findings Report on 13 December 2020.

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Our work

Materiality	We determined materiality for the audit of the Council's financial statements to be £7,800,000, which is 2% of the Council's gross cost of services.
Financial Statements opinion	We gave an unqualified opinion on the Council's financial statements on 15 January 2021. We included an emphasis of matter paragraph in our report in respect of the uncertainty over valuations of the Council's land and buildings, Investment Properties, and the property assets of its pension fund given the Coronavirus pandemic. This does not affect our opinion that the statements give a true and fair view of the Group and the Council's financial position and its income and expenditure for the year.
Whole of Government Accounts (WGA)	We completed work on the Council's consolidation return following guidance issued by the NAO.
Use of statutory powers	We did not identify any matters which required us to exercise our additional statutory powers.

Executive Summary

Value for Money arrangements	We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Council on 15 January 2021.
Certificate	We are unable to certify that we have completed the audit of the financial statements of Royal Borough of Kingston upon Thames until we have completed our consideration of an objection/objections brought to our attention by a local elector under Section 27 of the Local Audit and Accountability Act 2014.

Working with the Council

- Remote working arrangements - No significant challenges were encountered in interactions between the Council finance teams and the audit team as a result of remote working although, by its nature, remote working takes significantly longer than auditing onsite.
- A comprehensive audit – we delivered a thorough audit of the Council's financial statements increasing the level of work on the Council's Property, Plant and Equipment and Pension Liability balances.
- Understanding operational health – through the value for money conclusion we provided the Council with assurance on its operational and financial effectiveness.
- Sharing our insight – we provided regular Audit and Governance Committee updates covering best practice.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff .

Grant Thornton UK LLP
April 2021

Audit of the Financial Statements

Our audit approach

Materiality

In our audit of the Council's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the Council's financial statements to be £7,800,000, which is 1.8**%** of the Council's gross cost of services. We used this benchmark as, in our view, users of the Council's financial statements are most interested in where the Council has spent its revenue in the year.

No specific other materiality levels were set during the course of our audit.

We set a lower threshold of £390,000, above which we reported errors to the Audit Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the Statement of Accounts to check it is consistent with our understanding of the Council and with the financial statements included in the Statement of Accounts on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Financial Statements

Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Covid-19 The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expected current circumstances would have an impact on the production and audit of the financial statements for the year ended 31 March 2020. We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement.	As part of our audit work we have: • worked with management to understand the implications the response to the Covid-19 pandemic had on the organisation's ability to prepare the financial statements and update financial forecasts and assessed the implications for our materiality calculations. • liaised with other audit suppliers, regulators and government departments to co-ordinate practical cross-sector responses to issues as and when they arose. • evaluated the adequacy of the disclosures in the financial statements that arose in light of the Covid-19 pandemic; • evaluated whether sufficient audit evidence could be obtained in the absence of physical verification of assets through remote technology; • evaluated whether sufficient audit evidence could be obtained to corroborate significant management estimates such as assets and the pension fund liability valuations ; • evaluated management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment. • evaluated the material valuation uncertainties disclosures in Note 4 due to the impact of covid-19 has had on property, plant and equipment valuation and the valuation of property fund assets within Kingston Pension Fund. We referred to the material valuation uncertainty in our audit report as an emphasis of matter.	No significant issues were identified from the work performed in this area.

Audit of the Financial Statements

Significant Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Valuation of land and buildings (including investment properties) The Council re-values its land and buildings 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 (£892 million) and the sensitivity of this estimate to changes in key assumptions. Management have engaged the services of their internal valuer to estimate the current value as at 31 March 2020. 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.	As part of our audit work we have: • evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts 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 to ensure that the requirements of the Code are met • test revaluations made during the year to see if they had been input correctly into the Council's asset register and financial statements. • challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding; • tested, on a sample basis, revaluations of the Council's operational properties, investment properties, and HRA properties during the year to ensure they have been input correctly into the Council's asset register and financial statements; and • evaluated the assumptions made by management for any assets not revalued at 31 March 2020, including those in the HRA, and how management has satisfied themselves that the carrying value of these assets in the balance sheet is not materially different to their current value. • evaluated the material valuation uncertainties disclosures in Note 4 due to the impact of Covid-19 has had on property, plant and equipment valuation and the valuation of property fund assets within Kingston Pension Fund. We referred to the material valuation uncertainty in our audit report as an emphasis of matter.	No significant issues were identified from the work performed in this area.

Audit of the Financial Statements

Significant Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Valuation of net pension 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 (£209 million in the Council's balance sheet) and the sensitivity of the estimate to changes in key assumptions. We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.	As part of our audit work we have: • updated our understanding of the processes and controls put in place by management to ensure that the Council'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 to the actuary to estimate the liability; • assessed the reasonableness of the actuary's assumptions and calculations in-line with the relevant standards, including their consideration of the ongoing impact of the McCloud case. • 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; and • completed 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 that report. evaluated the material valuation uncertainties disclosures in Note 4 due to the impact of covid-19 has had on the asset valuation of property funds held by Kingston Pension Fund. We referred to the material valuation uncertainty in our audit report as an emphasis of matter.	Our audit work has not identified any significant issues in relation to valuation of pension fund net liability.

Audit of the Financial Statements

Significant Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Management override of internal controls Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement. The main mechanism through which this could occur is through the posting of manual journals amending the reported financial performance. We therefore review the controls established relating to manual journals, including those for authorisation of manual journals.	As part of our audit work we have; • evaluated the design effectiveness of management controls over journals; • analysed the journals listing and determined the criteria for selecting high risk unusual journals; • tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • tested 'top-side' journals between the general ledger and the financial statements for appropriateness and corroboration; • gained an understanding of the accounting estimates and critical judgements applied and made by management and considered their reasonableness with regard to corroborative evidence; and • evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.	Our audit work has not identified any significant issues in respect of management override of controls.

Audit of the Pension Fund Financial Statements

Pension Fund Significant Audit Risks

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work on the pension fund.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Covid-19 The global outbreak of the Covid-19 pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expect current circumstances will have an impact on the production and audit of the financial statements for the year ended 31 March 2020. We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement.	We have undertaken the following work in relation to this risk: • worked with management to understand the implications the response to the Covid-19 pandemic had on the pension fund's ability to prepare the financial statements and update financial forecasts and assessed the implications for our materiality calculations. The draft financial statements were provided on 10 August 2020; • evaluated the adequacy of the disclosures in the financial statements that arose in light of the Covid-19 pandemic; • evaluated whether sufficient audit evidence could be obtained through remote technology; • evaluated whether sufficient audit evidence could be obtained to corroborate significant management estimates such as the investment valuations; • evaluate whether sufficient audit evidence can be obtained to corroborate significant management estimates such as Level 2 asset valuations, • evaluated management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment; and • discussed with management the implications for our audit report where we have been unable to obtain sufficient audit evidence. • evaluated the material valuation uncertainties disclosures in Note 5 due to the impact of Covid-19 has had on the asset valuation of property funds held by Kingston Pension Fund. We referred to the material valuation uncertainty in our audit report as an emphasis of matter.	No significant issues were identified from the work performed in this area.

Audit of the Pension Fund Financial Statements

Pension Fund Significant Audit Risks

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work on the pension fund.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Management override of internal controls Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The council faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance. We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.	We have undertaken the following work in relation to this risk: • Evaluated the design effectiveness of management controls over journals. • Analysed the journals listing and determine the criteria for selecting high risk unusual journals. • Tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration. • Gained an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence. • Evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.	Our audit work has not identified any material issues in relation to management override of controls.

Audit of the Financial Statements

Audit opinion

We gave an unqualified opinion on the Council's financial statements on 15 January 2020.

Preparation of the financial statements

The Council presented us with draft financial statements in August 2020 in accordance with the agreed timescale, and provided a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit.

Issues arising from the audit of the financial statements

We reported the key issues from our audit to the Council's Audit Governance and Standards Committee on 14 January 2021.

Annual Governance Statement and Narrative Report

We are also required to review the Council’s Annual Governance Statement and Narrative Report. It published them on its website alongside the draft Statement of Accounts in August 2020.

Both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council.

Pension fund accounts

We gave an unqualified opinion on the pension fund accounts of Royal Borough of Kingston upon Thames Pension Fund on 15 January 2020. We also reported the key issues from our audit of the pension fund accounts to the Council’s Audit Committee on 27 January 2021.

Whole of Government Accounts (WGA)

We carried out work in line with instructions provided by the NAO. We issued an assurance statement which confirmed the Council was below the audit threshold.

Certificate of closure of the audit

We are unable to certify that we have completed the audit of the financial statements of Royal Borough of Kingston upon Thames until we have completed our consideration of an objection/objections brought to our attention by a local elector under Section 27 of the Local Audit and Accountability Act 2014. These objections relate to periods prior to the 2019/20 financial year.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in April 2020 which specified the criterion for auditors to evaluate:
In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the risks where we concentrated our work.

The risks we identified and the work we performed are set out overleaf.

As part of our Audit Findings report agreed with the Council in January 2021, we agreed recommendations to address our findings.

Overall Value for Money conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2020.

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Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Budget Management Your outturn position for 19/20 was an underspend of £1.809m. Should the position worsen then this will increase the pressure into 2020/21.	As part of our work we: • Assess your understanding of, and responses to, the pressures and causal factors contributing to the 2019/20 overspend. • Consider whether you have adequate arrangements to manage those pressures and to secure a sustainable financial position. • Review your plans to respond to pressures within AfC and the Growth and Communities Directorates. • Review the recovery boards progress in managing overspends within AfC and the Dedicated Schools Grant including reviewing the SEND Transformation programme • Consider your approach towards the use of reserves.	We have focused our work on the significant risks that we identified in the Council's arrangements. In arriving at our conclusion, our main considerations were: • The Council's General Fund outturn for 2019/20 was an underspend of £1.8 million (1.3%) against the £136 million budget. The underspend for the year was an improvement on the £0.4 million forecast overspend reported at month 9 to the Finance and Partnerships Committee in February. • Demand in Children's Services continued to be a significant issue centred on social care, children leaving care, asylum seeking children and special educational needs. • Reporting of progress against the revenue budget to the Finance and Regeneration Committee (F&RC) was detailed and comprehensive throughout the year. • In line with previous years, savings were risk assessed throughout the year and rated as green, amber and red with these categories monitored, readjusted accordingly and reported separately to the revenue budget to the F&RC. • Delivering the 2019/20 saving plans was identified as a key objective in the Council's corporate risk register that was reviewed and monitored throughout the year. Based on the work we performed to address the significant risk, we concluded that the Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources.

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Dedicated Schools Grant .	As part of our work we: • Review your plans to respond to pressures within AfC and the Growth and Communities Directorates. • Review the recovery boards progress in managing overspends within AfC and the Dedicated Schools Grant including reviewing the SEND Transformation programme	We have focused our work on the significant risks that we identified in the Council's arrangements. In arriving at our conclusion, our main considerations were: • The Council continues to experience significant financial pressure due to structural overspends with in the DSG budget. The council spent £5.2 million more on education than was funded by the DSG in 2019/20 resulting in a further increase to its cumulative deficit balance on the unallocated DSG of £19.3 million as at 31 March 2020, £14.1m at 31 March 2019. • There continues to be a mismatch between the funding provided by the Government in the High Needs Block of the DSG and the cost of delivering these services. There are approximately 4,000 children and young people with special educational needs and disabilities (SEND) aged 0 to 25 years living in or going to school in Kingston. The number of children and young people from Kingston with an Education Health and Care Plan (EHCP) has increased by nearly 10% in 2019/20 demonstrating that demand continues to escalate. • Without significant changes to both the local system for providing education for children and young people with SEND and its funding, the accumulated overspend is forecast to be £40m by the end of financial year 2022/23. The Council has been reducing expenditure on services other than SEND services to manage this overspend. The current position is clearly unsustainable. • Given the size of the cumulative deficit and the current and persistent run rate overspend on the high needs block there remain significant doubts about the expectation that the current deficit can be closed within a 5-year window. • The Department for Education's (DfE's) School and Early Years Finance (England) Regulations 2020 will apply from 1 April 2020. The new regulation mandates that a DSG deficit may only be funded and recovered through DfE financial support and recovery arrangements and not from general fund reserves. Based on the work we performed to address the significant risk, we concluded that the Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources.

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Savings and medium-term financial planning At the time of setting the 2019/20 budget, your Medium-Term Financial Strategy shows a budget gap of £8.09m in 2020/21, £6.713m for 2021/22 and £7.134m in 2022/23 equating in a cumulative gap of £21.938m across the period. This position has been updated and you are now proposing a balanced budget for 2020/21.	As part of our work we: • Consider your revised arrangements to identify and deliver savings and efficiencies to support a sustainable medium-term financial position. • Consider the feasibility of planned savings and the assessed risk of achievement. • Review the arrangements for identifying and monitoring risk and taking appropriate action in the event of non-realisation of planned savings. • Assess how well the medium-term financial plan reflects planned timescales for the delivery of savings from your cross-cutting approach, and how well aligned the medium term financial plan is with the planned financial benefits anticipated.	We have focused our work on the significant risks that we identified in the Council's arrangements. In arriving at our conclusion, our main considerations were: • The Covid-19 pandemic has presented the Council with both financial and non-financial challenges. The 2020/21 revenue budget has been heavily impacted by the pandemic resulting in income losses and the increase in demand and cost pressures as the Council continues to discharge its statutory duties and respond to an ever-changing environment. • Central Government has partially recognised the challenges faced by local authorities in respect of Covid-19 and in March and April 2020 allocated two tranches of central funding which totalled £3.2 billion nationwide. • The Council’s share of this income amounted to £8.5 million. A further package of support was announced in July 2020 with the Council eligible to receive an additional £3.6 million of grant funding. • The forecast position includes an estimate of the income that the Council expects to claim from MHCLG in relation to the losses of fees and charges for the full year of £4.7 million. • Collection rates for both Council Tax and Business Rates are expected to be significantly adversely affected as more residents and businesses are likely to face hardship because of the pandemic. The forecast loss to the collection fund from Council Tax and Business Rates is currently £6 million. • Management are closely monitoring the costs and revenue implications of the Covid-19 pandemic and will be updating the MTFP assumptions and estimates to reflect the changing economic environment. Many of the assumptions underpinning the 2020/21 budget have been invalidated by the pandemic. Based on the work we performed to address the significant risk, we concluded that the Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources.

A. Reports issued and fees

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

Reports issued

Report	Date issued
Audit Plan	July 2020
Audit Findings Report	January 2021
Annual Audit Letter	April 2021

Fees

	Planned £	Actual fees £	2018/19 fees £
Statutory audit	102,077	117,389	92,077
Audit of Pension Fund	25,000	28,750	16,170
Total fees	**127,077**	**146,139**	**108,247**

Audit fee variation

As outlined in our audit plan, the 2019-20 scale fee published by PSAA of £85,077 assumes that the scope of the audit does not significantly change. There are a number of areas where the scope of the audit has changed, which has led to additional work. These are set out in the following table.

A. Reports issued and fees continued

Audit fee variation (Statutory audit) continued

Area	Reason	Fee proposed (£)
Pensions – IAS 19	The Financial Reporting Council has highlighted that the quality of work by audit firms in respect of IAS 19 needs to improve across local government audits. Accordingly, we have increased the level of scope and coverage in respect of IAS 19 this year to reflect this.	4,000
PPE Valuation – work of experts	As above, the Financial Reporting Council has highlighted that auditors need to improve the quality of work on PPE valuations across the sector. We have increased the volume and scope of our audit work to reflect this.	4,000
Raising the bar and change in Materiality	The Financial Reporting Council (FRC) has highlighted that the quality of work by all audit firms needs to improve across local audit. This will require additional supervision and leadership, as well as additional challenge and scepticism in areas such as journals, estimates, financial resilience and information provided by the entity.	4,000
Group Accounts and New Accounting Standards	Note that PSAA's original scale fee for this contract was set in March 2018, so any new developments since that time need to be priced in, including the increase in the work to audit your group financial statements as more companies are considered for consolidation and the capture new accounting standards issued.	5,000
Additional significant risk of Covid-19 and additional time taken to complete the audit as a result of remote working	Subsequent the additional significant risk of Covid-19 and additional time it has taken to complete the audit as a result of remote working arrangements has meant an increase in time taken to complete the audit and increased volume of work and scope of our audit work to reflect this additional risk	15,312
Total		32,312

Fee variations are subject to PSAA approval.

A. Reports issued and fees continued

Audit fee variation (Pension Fund)

As outlined in our audit plan, the 2019-20 scale fee published by PSAA of £16,170 and this is the fee disclosed within the financial statements and assumes that the scope of the audit does not significantly change. There are a number of areas where the scope of the audit has changed, which has led to additional work. These are set out in the following table.

Area	Reason	Fee proposed (£)
Valuation of investment assets	The Financial Reporting Council (FRC) has highlighted that the quality of work by all audit firms in respect of valuations of investments needs to improve across the sector. Accordingly, we plan to enhance the scope and coverage of our work to ensure an adequate level of audit scrutiny and challenge over the assumptions and evidence that underpin the valuations of level 2 (and level 3) investments this year to reflect the expectations of the FRC and ensure we issue a safe audit opinion.	3,830
Raising the bar	The Financial Reporting Council (FRC) has highlighted that the quality of work by all audit firms needs to improve across local audit. This will require additional supervision and leadership, as well as additional challenge and scepticism in areas such as journals, estimates, financial resilience and information provided by the entity.	5,000
Additional significant risk of Covid-19 and additional time taken to complete the audit as a result of remote working	Subsequent The additional significant risk of Covid-19 and additional time it has taken to complete the audit as a result of remote working arrangements has meant an increase in time taken to complete the audit and increased volume of work and scope of our audit work to reflect this additional risk	3,750
Total		12,580

Fee variations are subject to PSAA approval.

A. Reports issued and fees continued

Fees for non-audit services

Service	Fees £
Audit related services	
- Teachers Pensions end of year Certification	6,000
- Pooling of Housing Capital Receipts Grant	5,000
- Housing Benefit Subsidy	28,802
Total	39,802
Non-Audit related services	
- None	

Non- audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table above summarises all non-audit services which were identified.
- We have considered whether non-audit services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place.

The above non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor.

Also given we only started our work on the Certification of the Council's Housing Benefit Return in December 2020, we are currently unable to confirm whether any additional fees will be charged in respect of this work.