Northamptonshire County Council

Annual Audit Letter for the year ended 31 March 2020

January 2022

Building a better working world

Contents

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).

This 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 April 2018)' 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 / Terms and Conditions of Engagement. 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 Hywel Ball, 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.

Section 1

Executive Summary

Executive Summary (cont'd)

The tables below set out the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's and Pension Fund's:	
► Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Council and Pension Fund as at 31 March 2020 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 not put in place proper arrangements to secure value for money in your use of resources We reported in respect of: ► Ofsted findings for improvement in Children's Services; and ► Risk management arrangements.

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.

Executive Summary (cont'd)

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	HM Treasury (HMT) have closed the 2019/20 data submission cycle and it is no longer possible for entities to submit their cycle 2 data. They are not putting in place alternative arrangements for 2019/20 data collection. The NAO will only expect to receive assurance statements going forwards where these relate to submissions made on or before the 17th of December 2021. We are waiting formal notification from HMT that this removes the audit responsibility to issue an assurance statement in respect of the Council's Whole of Government Accounts consolidation pack.

Executive Summary (cont'd)

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 provisional detailed findings were reported to the 29 September 2021 Audit & Governance Committee of West Northamptonshire Council, as the successor body to Northamptonshire County Council. We issued our Final Audit Results Report, which provided an update on matters outstanding as of 29 September 2021, to those charged with governance on 19 November 2021.
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.	We have not as yet issued our audit completion certificate. We cannot formally conclude the audit and issue an audit certificate until we have notification from HMT that we are no longer required to issue an assurance statement in respect of the Council's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our value for money conclusion. Until we have completed these procedures we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

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

Janet Dawson
Partner
For and on behalf of Ernst & Young LLP

Section 2

Purpose and Responsibilities

Ref: EY-000092651-01

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 2019/20 Provisional Audit Results Report presented to the 29 September 2021 meeting of the Audit & Governance Committee of West Northamptonshire Council, as the successor body to Northamptonshire County Council, representing those charged with governance. We issued our Final Audit Results Report, which provided an update on matters outstanding as of 29 September 2021, to those charged with governance on 19 November 2021.

We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.

Responsibilities

Responsibilities of the Appointed Auditor

Our 2019/20 audit work has been undertaken in accordance with the Audit Plan that we issued in July 2021 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- Expressing an opinion:
  - On the 2019/20 financial statements including the pension fund; 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 the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Responsibilities of the Council

The Council is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement (AGS). 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.

Section 3

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 and Pension Fund's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office and issued an unqualified audit report on 22 November 2021.

Our provisional detailed findings were reported to the 29 September 2021 Audit & Governance Committee of West Northamptonshire Council, as the successor body to Northamptonshire County Council. We issued our Final Audit Results Report, which provided an update on matters outstanding as of 29 September 2021, to those charged with governance on 19 November 2021.

The key issues identified as part of our audit on Northamptonshire County Council were as follows:

Significant Risk	Conclusion
Risk of fraud in revenue and expenditure recognition – Inappropriate capitalisation of expenditure and Incorrect classification of revenue expenditure funded by capital under statute Under ISA 240, there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. For the Council, we consider this risk most likely to manifest through: • incorrect capitalisation of amounts which should be charged to the Comprehensive Income and Expenditure Statement (CIES) as expenditure; and • incorrect classification of expenditure as revenue expenditure funded by capital under statute (REFCUS).	**What we did:** We tested a sample of capital additions to confirm they meet the criteria for capitalisation set out in accounting standards. We tested a sample of Revenue Expenditure Funded from Capital Under Statute (REFCUS) to confirm that it meets the criteria set down in governing regulations. We used our analytics data to identify unusual journal pairings related to capital expenditure posted around the year-end i.e. where the journal is moving expenditure from revenue to capital codes. We reviewed these journals to ensure they are appropriate. **Our conclusions:** Our testing has not identified any misstatements arising from inappropriate capitalisation of expenditure, or other matters relating to this risk to bring to your attention. We are therefore able to conclude that the financial statements are not materially misstated as a result of inappropriate capitalisation of expenditure.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit on Northamptonshire County Council were as follows: (cont'd)

Significant Risk	Conclusion
Risk of fraud in revenue and expenditure recognition - Incorrect application of cut-off Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We assessed that an area open to a greater risk of manipulation is in the inappropriate application of cut-off such that expenditure related to the 2019/20 financial year is recorded in 2020/21. We also identified a risk relating to the deferral of expenditure accruals and overstatement of year end debtor balances to again improve the reported 2019/20 outturn. We identified that the manipulation of year end debtor and creditor balances as the most likely means to impact the reported income and expenditure positions, rather than in year income and expenditure postings.	**What we did:** We tested items of expenditure to ensure correctly valued and recorded in the correct financial year. We tested year-end debtors and creditors at a lower testing threshold to verify they have been recorded at the appropriate amount and in the correct year. We extended our testing of unrecorded liabilities to September 2020 to address the increased risk associated with the extended period management have had to compile the financial statements. **Our conclusions:** Our testing that income and expenditure items are recorded in the correct financial year has not identified any material errors.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit on Northamptonshire County Council were as follows: (cont'd)

Significant Risk	Conclusion
Misstatements due to fraud or error The financial statements as a whole are not free of material misstatements whether caused by fraud or error. As identified in ISA (UK and Ireland) 240, 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. We identify and respond to this fraud risk on every audit engagement. The specific fraud risks identified relate to the inappropriate capitalisation of expenditure when considering revenue and expenditure recognition. Further details of our response to this risk are set out on the previous page.	**What we did:** We identified fraud risks during the planning stage of our audit; We enquired of management and those charged with governance about risks of fraud and the controls put in place to address those risks, and considered the effectiveness of those controls; We determined an appropriate strategy to address those identified risks of fraud; and We performed mandatory procedures regardless of specifically identified fraud risks, including: • testing of journal entries and other adjustments in the preparation of the financial statements; • assessing accounting estimates for evidence of management bias; and • evaluating the business rationale for significant unusual transactions. **Our conclusions:** Our testing has not identified any misstatements arising from fraud or error, or other matters relating to this risk, to bring to your attention

Financial Statement Audit (cont'd)

The key issues identified as part of our audit on Northamptonshire County Council were as follows: (cont'd)

Significant Risk	Conclusion
Valuation of property, plant and equipment, including investment property The fair value of other land and buildings and investment properties are significant assets on the Council's Balance Sheet. The valuation is dependent upon a number of judgements and assumptions, small changes in which can have a significant impact upon the financial statements. The valuation of non-current assets is performed by an external valuer and relies upon significant estimation and assumptions. We focus our work on the appropriateness of the valuer's work and the assumptions used to value non-current assets.	**What we did:** We: • considered the work performed by the Council's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work; • used our own EY Real Estate valuation specialists to review a sample of valuations identified as higher risk; • sample tested key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre); • considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for property, plant and equipment, and annually for investment property; • considered if there are any specific changes to assets that have occurred and whether these were communicated to the valuer; • reviewed assets that were not subject to valuation in 2019/20 to confirm the remaining asset base is not materially misstated; and • tested the accounting entries relating to the valuation of non-current assets to ensure they had been correctly processed in the financial statements. We reviewed the financial statement disclosures to ensure that appropriate disclosure has been made in the financial statements concerning the material valuation uncertainty. **Our conclusions** Our work has not identified any material issues in respect of accounting entries performed to reflect transactions relating to the valuation of either other land and buildings or investment property. We have nothing to report from our work that considered the annual cycle of valuations, assets not subject to valuation in 2019/20 or any changes made to useful economic lives. We have identified no issues when considering the work performed by the Council's valuers (Wilks, Head and Eve), including assessing the adequacy of the scope of the work performed, their professional capabilities and the results of their work. Our specialist has concluded that, based on the scope of work, from a valuation perspective, the methodologies used by the Council's valuers in developing the estimates were consistent with valuation practice given the characteristics of the assets being measured. Furthermore, from a valuation perspective, the significant assumptions used in developing the estimates were within a reasonable range, given the facts and circumstances present as of the valuation date. Finally, based on the scope of work, it appears that Management's concluded values and our comparative calculations for the assets as of the valuation date were consistent, given the inherent estimation uncertainty from a valuation perspective. The work of our specialist, in conjunction with the work performed by the audit team has enabled us to conclude that the valuation of other land and buildings and investment property is free from material error.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit on Northamptonshire County Council were as follows: (cont'd)

Significant Risk	Conclusion
Going concern assessment and disclosures International Auditing Standard 570 Going Concern, as applied by Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom, requires auditors to undertake sufficient and appropriate audit procedures to consider whether there is a material uncertainty on going concern that requires reporting by management within the financial statements, and within the auditor's report. We are obliged to report on such matters within the section of our audit report 'Conclusions relating to Going Concern'.	**What we did:** In undertaking this work, as the Council ceased to exist on 31 March 2021, the going concern assessment focussed on the service continuity provided by the two new unitary Councils. We reviewed the Council's going concern assessment and disclosure for 2019/20 in line with auditing requirements and considered in particular the Council's consideration and disclosure of the impact on the future financial position as a result of Covid-19 and the local government reorganisation. We also considered whether these disclosures included details of the process that has been undertaken for revising financial plans and cashflow, liquidity forecasts, known outcomes, sensitivities, mitigating actions including but not restricted to the use of reserves, and key assumptions (e.g. assumed duration of Covid-19). Our audit procedures to review these included considerations of: • Current and developing environment; • Liquidity (operational and funding); • Mitigating factors; • Management information and forecasting; • Sensitivities and stress testing; • Challenge of management's assessment, by thorough testing of the supporting evidence and consideration of the risk of management bias.; and • Continuation of services post local government reorganisation. We noted that the UK Parliament enacted plans that impact on the continued operational existence of the sovereign Northamptonshire Councils beyond 31 March 2021, but that their activities transferred to the two unitary Councils. Therefore, the going concern basis of preparation of financial statements for each sovereign Council for the period up to 31 March 2021 remains appropriate. We completed a single piece of work across Northamptonshire that considers whether service provision can continue at similar levels after the 1st April 2021 and for the period of the going concern assessment. This considered the existing and available business plans and budgets for each new unitary council, and how forecast net expenditure can be met by cashflows and available to use reserves. This work also considered whether the Council have appropriately disclosed this position and how this informs any modifications to our audit report. Our findings are set out on the following page.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit on Northamptonshire County Council were as follows: (cont'd)

Conclusion

Going concern assessment and disclosures (cont'd)

The going concern assessment needs to cover a period of 12 months from the date of our audit report and therefore needs to cover the period to November 2022.

North Northamptonshire Council (NNC) and West Northamptonshire Council (WNC) set balanced budgets for financial year 2021/22 and have forecast usable reserves to be £85 million and £98 million respectively at the end of the 2021/22 financial year. Management used 'incremental budgeting' to develop the 2021/22 budget, with the starting point being the combined 2020/21 budgeted position of the Councils being replaced. Management have then adjusted the budget for known costs and savings.

The General Fund revenue budgets for the new Councils are still settling, as they are a combination of disaggregated County Council budgets and an aggregation of District and Borough budgets from North and West Northamptonshire. They were approved before the majority of service redesigns and staffing structures were implemented for the new councils. Since the 1st April, the new Councils have reviewed budgets and applied zero based financial planning to ensure they are sufficient to cover commitments, and adequately fund new service designs and ways of working. This process will inform the 2022/23 budget and update the provisional medium term financial plan.

The period four revenue monitoring reports for NNC reports:

- The provisional outturn position for the sovereign councils at 31/3/2021 shows an underspend of £6.4 million for Northampton County Council, and a combined underspend of £3.1 million for Kettering Borough Council and Wellingborough. The underspends for Kettering Borough Council and Wellingborough will be added to North Northamptonshire's General Balance, along with the Council's share of the Northampton County Council underspend.
- The forecast outturn position for 2021/22 is an underspend of £0.3 million.

The quarter one revenue monitoring reports for WNC reports:

- The provisional outturn position for the sovereign councils at 31/3/2021 shows a £14 million increase in the opening reserve position, £2 million increase for general fund reserves and £12 million increase in Earmarked reserves (excluding Business Rates S31 Grant).
- The forecast outturn position for 2021-22 is an overspend of £1.6m, which is 0.5% of the net budget, before the application of the contingency budget.

We have reviewed management's assessment for both NNC and WNC, and concluded that there is no material uncertainty in the Councils being able to continue with the provision of service. Our conclusion is based on the following key factors:

- Starting budget – We have agreed the starting position to the combined 2020/21 budgets of the Councils being replaced. We have reviewed the 2020/21 provisional outturn for each individual Council and noted that the opening reserves for both Councils will be higher than forecast in the provisional 2021/22 budget.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit on Northamptonshire County Council were as follows: (cont'd)

Conclusion

Going concern assessment and disclosures (cont'd)

- 2021/22 incremental costs – management assumed total in year incremental costs of £45 million (NNC) and £27 million (WNC). The most significant incremental cost relates to Covid-19 lost income and additional expenditure which management have forecast before the receipt of any additional Covid-19 government support. We have compared this figure to the total Covid-19 cost in 2020/21 for the Councils being replaced, which indicates the assumption is reasonable.
- Saving assumptions – management has assumed total in year savings of £19 million (NNC) and £13 million (WNC) in 2021/22 and £11.4 million (NNC) and £7 million (WNC) in 2022/23 . These saving assumptions are not significant in the context of the overall budget and we have therefore not reviewed them in detail. We have however removed all forecasted savings in our 'plausible downside' scenario referenced below.
- Budget gap – The provisional Medium Term Financial Plan included budget gaps of £18.5 million (NNC) and £15m (WNC) in the 2022/23 budget. We have assumed this budget gap is not mitigated in our 'plausible downside' scenario referenced below.
- 2021/22 funding – the key funding sources for the Councils is business rates, council tax, and government grants. We have confirmed business rates and council tax are in line with the amounts collected by the individual bodies in previous years. For government grants we have agreed all significant assumed grants to third party support. We also note that due to the timing of the budget setting it does not include additional Covid-19 central government support in 2021/22.
- 2022/23 – We have reviewed the 2022/23 budget set out in the provisional MTFP, the councils removed or reduced one off or uncertain funding like covid one off grants, business rates growth and new homes bonus.
- Plausible downside – We have performed our own plausible downside. In this scenario, we have assumed the impact of Covid-19 in 2021/22 is the same as the impact in 2020/21. We have also removed all assumed savings from the budget. For 2022/23, we also removed all assumed savings from the budget and assumed the budget gaps would not be mitigated. Our plausible downside scenario shows management have sufficient reserves to continue delivering services.
- Reverse stress test – we have also performed a reverse stress test. This shows income would need to fall, or expenditure increase, by 16.1% (NNC) and 15.3% (WNC) for usable reserves to drop to nil in 2021/22, and 16.2% (NNC) and 13.9% (WNC) for usable reserves to drop to nil in 2022/23.

Our work is in the context that the new council continues to review and challenge their budgets as part of zero based financial planning.

We have agreed a revised going concern disclosure for the financial statements covering the basis of preparation, how the financial baseline was established for the unitary councils, the 2021/22 budgets and medium-term financial plans, the latest revenue budget forecasts for 2021/22, the key risks and uncertainties, and the current financial planning process to build the 2022/23 budget and update the provisional MTFP.

We included an Emphasis of Matter paragraph in our Audit Report to draw attention to the disclosures made by the Council regarding the local government reorganisation.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit on Northamptonshire County Council were as follows: (cont'd)

Other Key Findings	Conclusion
Pension liability valuation Accounting for the Authority's defined benefit pension scheme liabilities involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management specialists and the assumptions underlying fair value estimates.	**What we did:** We liaised with the audit team of the Northamptonshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Northamptonshire County Council. Note that the audit of the Pension Fund is also performed by EY. We assessed the work of the Pension Fund actuary (Hymans Robertson), including the assumptions they have used, by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all Local Government sector auditors, and review of this work by the EY actuarial team. We reviewed and tested the accounting entries and disclosures made within the Council's financial statements in relation to defined-benefit pensions. **Our conclusions:** We have considered EY Pensions review of the work of PWC, the consulting actuaries with no significant findings to report. The pension fund auditor highlighted to us a discrepancy in membership data between numbers held by the pension fund and those used by the actuary. The difference between the figures used, although not exact due to the timing of the triennial calculations, is in the region of 1,300 members classified as deferred by the actuary that should have been recognised as active. The impact of this would be to increase the overall liability of the Council. The actuary has performed calculations to establish a range of how much the liability may have been understated by as at 31 March 2020. This range is between £0.5 million and £0.9 million. We have performed our own calculations to corroborate the work of the actuary and note that the top end of our range of £0.6 million which, although above our trivial reporting threshold, would represent an immaterial judgemental difference. Due to the immaterial value of the difference, the Council have determined in discussion with the actuary, not to re-perform any calculations based on the accurate membership data for 2019/20. We report this difference to the Committee but conclude that it does not lead to a material misstatement of the liability at the balance sheet date. The pension fund auditor has also highlighted two further differences, in relation to a £2.5 million overstatement of assets and £1.2 million overstatement of the return on investments. Neither of these differences have been deemed large enough to lead to the Council to request an updated IAS 19 report. These differences therefore remain unadjusted.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit on Northamptonshire County Council were as follows: (cont'd)

Other Key Findings	Conclusion
Minimum Revenue Provision (MRP) MRP represents the minimum amount charged to the Council's revenue account each year in order to cover the Council's capital financing requirement (CFR). The Council reviewed their MRP policy with effect from 2017/18 and identified that MRP had been over-provided, based on a retrospective application of the Council's new MRP policy. The Council planned to release this amount over subsequent years. In 2018/19, we confirmed that MRP charged in previous years on supported and unsupported borrowing exceeded the amounts that would have been due under the Council's revised policy. However, we had not agreed the exact amount of the overprovision or how this would be unwound in future periods. We agreed to work with management in 2019/20 to confirm the position.	**What we did:** We worked with management and challenged their assumptions and calculations as they: • reperformed Capital Financing Requirement calculations required to determine MRP due under the Council's current policy; and • remodelled the MRP calculations, assessing conclusions drawn on the work and assumptions used in the calculation. We reviewed and tested the accounting entries and disclosures made within the Council's financial statements in relation to MRP. **Our conclusions:** The main findings from this work are summarised below: • The CFR as at 1 April 2019 was reduced by £1.306 million in order to reconcile the position per the statements to the revised calculations. • MRP charged in 2019/20 was reduced by £731,000 as the Council took advantage of an additional overprovision identified as part of this work. • We agreed a total MRP overprovision, compared with the Council's current policy, up to and including 31 March 2020 of £81.2 million. This assumed an average useful life of 35 years for all unfinanced capital expenditure incurred from 1 April 2008. • The Council does not currently charge MRP in relation to capital loans and investments which represents a departure from the statutory guidance issued by MHCLG. We recommend the Council reconsiders whether this policy leads to a prudent provision. • The Council should ensure it maintains more detailed accounting records to support the MRP charges applied to unsupported CFR incurred from 1 April 2020. • As at 31 March 2018, capital receipts of £11.68 million had not been recognised in the capital receipts reserve. This has been corrected as a prior period adjustment in the 2019/20 statements.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit on Northamptonshire County Council were as follows: (cont'd)

Other Key Findings	Conclusion
PFI and service concession arrangements The Local Authority Accounting Code of Practice requires that PFI (Private Finance Initiative) schemes should be accounted for on the basis of IFRIC 12 "Service Concessions". The Council's total future obligation in relation to its PFI schemes as at 31 March 2020 is £1.05 billion. These values are derived from complex models which reflects a number of assumptions which may change over the life of the contract. Any errors in the model could impact on liabilities and any charges to revenue in year.	**What we did:** • Understood the process of how the PFI models are maintained and updated; including how the output of the models are included within the Council's financial statement closing processes; • Identified those inputs to the model which are estimates and undertaken audit procedures to gain assurance over the reasonableness of these estimates; • Considered whether we needed to engage EY's internal specialists to review the PFI model to ensure the inputs and accounting are in line with our expectations; and • Confirmed that year end journal entries in relation to the PFI schemes have been processed accurately. **Our conclusions:** Our work has not identified any material issues in respect of accounting for PFI. We have considered the need to consult our internal specialist. Considering the assurance we had from their review undertaken in the previous year and the fact that there were no changes to the significant PFI schemes in 2019/20, we concluded that we had sufficient assurance from the work undertaken by the audit team and did not need to engage a specialist in this area for 2019/20.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit on Northamptonshire Pension Fund were as follows:

Significant Risk	Conclusion

Misstatements due to fraud or error:
 	
Incorrect posting investment valuation and investment income journals
 	
As identified in ISA240, 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. We identify and respond to this fraud risk on every audit engagement.
 	
For the Pension Fund we considered that the main area where management override of controls may occur is the incorrect posting of investment valuation and investment income journals posted into the general ledger.
	What we did:
	
	• Made enquiries of management and those charged with governance to understand the risks of fraud for the Pension Fund and the operating effectiveness of the controls in place to address those risks.
	• Performed mandatory procedures in relation to management override of controls including:
	  • Testing of journal entries and other adjustments in the preparation of the financial statements,
	  • Review of material estimates for evidence of management bias,
	  • Review of any significant unusual transactions for the pension fund
	
	In respect of incorrect posting of investment valuation and income journals we:
	• Agreed the custodian's valuation and income report to that of individual fund manager valuation and income reports in totality for the pension fund's investment assets and investment income.
	• Agreed the investment holdings as reported in the Pension Fund's Net Assets Statement to the source reports from the Pension Fund's Custodian and Investment Fund Managers.
	
	Our conclusions:
	
	We did not identify any material weaknesses in controls nor any instances of management override. We did not identify any misstatements arising from the procedures performed.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit on Northamptonshire Pension Fund were as follows: (cont'd)

Significant Risk	Conclusion
Valuation of complex investments The Pension Fund's investments include unquoted investment such as private equity, infrastructure and pooled property funds. The Pension Fund's Investment managers make judgements to value these investments as their prices are not publicly available. Furthermore, market volatility means such judgments can quickly become outdated, especially when there is a significant time period between the latest available audited information and the pension fund year end. Such variations could have a material impact on the pension fund's financial statements. Covid-19 has created an uncertain economic environment immediately prior to the Pension Fund's reporting date of 31 March 2020. As a result, the valuation of these complex investment assets as of 31 March 2020 were subject to increased estimation and potentially significant judgements.	**What we did:** For a sample of complex investments (encompassing Private Equity, Pooled Property and Infrastructure investments) we: • Reviewed the basis of valuation for the investments to assess the appropriateness of valuation methods used. • Compared the investment value included in the Pension Fund's financial statements to direct confirmations from the Fund Managers. • Reviewed the latest audited financial statements of the investment funds to corroborate Net Asset Values used in determination of investment valuations. • Performed analytical procedures, in light of Covid-19, to verify the valuation output (from fund managers) for reasonableness against our own expectations. • Reviewed investment valuation disclosures to verify that significant judgements surrounding the valuation of complex investments have been appropriately made in the Pension Fund's financial statements. **Our conclusions:** We identified an audit misstatement of £5.4 million that overstated the valuation of investment assets. This misstatement arose due to timing differences in the availability of information to value the investment as of 31 March 2020. In addition, we identified one investment fund of £45 million which was incorrectly classified within the Pension Fund's financial statement investment disclosures as a level 2 rather than a level 3 investment. Management amended the financial statements to update for both of these findings.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit on Northamptonshire Pension Fund were as follows: (cont'd)

Other Key Findings	Conclusion
Pension liability assumptions The Pension Fund's engages it's actuary, who have specialist knowledge and experience, to estimate the Pension Fund's liability to pay future pensions. The estimate is based on a roll-forward of data from the previous triennial valuation of the Pension Fund, updated where necessary, and has regard to local factors such as mortality rates and expected pay rises along with other assumptions around inflation when calculating the liability.	**What we did:** • Reviewed the controls in place to ensure that data provided from the Pension Fund to the actuary is complete and accurate; • Reviewed the reasonableness of assumptions used in the calculation by the actuary against other local government pension fund actuaries and observable data; and • Agreed the financial statement disclosures to information provided by the actuary. **Our conclusions:** We did not identify any misstatements in relation to this area of audit focus.
ACCESS pooling arrangements The Pension Fund is a member of the ACCESS pool with ten other shire counties. ACCESS enables the pooling of investments through a Collective Investment Vehicle (CIV) that is administered and maintained by a third party operator. The Pension Fund joined the ACCESS pool during the 2018/19 year, however, 2019/20 was the first year where a material amount of investments held by the Pension Fund transition into the pool.	**What we did:** • Enquired with officers to understand the governance arrangements in place to ensure that the pooled investments are appropriately managed. • Reviewed supporting documentation from Investment Managers to confirm the nature of the transition of the investments into the ACCESS pool. • Obtained confirmation of the valuation of investments as of 31 March 2020 within the ACCESS pool, and corroborated the value of these investments to publicly available market information. • Considered whether the Pension Fund applied the appropriate accounting treatment and disclosure requirements for investments in the ACCESS pool. **Our conclusions:** We did not identify any material weaknesses in the Pension Fund's governance arrangements to enable it to manage it's investments within the ACCESS pool. We did not identify any misstatements in relation to this area of audit focus.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit on Northamptonshire Pension Fund were as follows: (cont'd)

Other Key Findings	Conclusion
Going concern assessment and disclosures International Auditing Standard 570 Going Concern, as applied by Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom, requires auditors to undertake sufficient and appropriate audit procedures to consider whether there is a material uncertainty on going concern that requires reporting by management within the financial statements, and within the auditor's report. We are obliged to report on such matters within the section of our audit report 'Conclusions relating to Going Concern'. The Covid-19 pandemic created a number of financial pressures and uncertainties throughout local government and the wider economy that could directly impact the Pension Fund. Any uncertainties need to be considered in the Pension Fund's detailed going concern assessment and financial statement disclosures.	**What we did:** • Reviewed management's assessment of going concern for the Pension Fund, • Reviewed the Pension Fund's future cash flow forecast to verify the reasonableness of the forecast, • Reviewed the appropriateness of the financial statement disclosures in relation to going concern. **Our conclusions:** Management's assessment of going concern for the Pension Fund was appropriate. We concluded that the Pension Fund's future 12 month cash flow forecast was reasonable. After minor amendments to reflect the passage of time between the production of the draft accounts and the completion of the audit, we concluded that the going concern financial statement disclosures were appropriate.

Financial Statement Audit (cont'd)

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	Council We determined planning materiality to be £9.8 million, which is 1% of the gross expenditure on the provision of services per the draft financial statements. Note for the purposes of determining materiality we consider certain elements of financing and investment income, such as interest cost and return on plan assets for pensions, on a net basis whilst the financial statements present these amounts gross. We consider the gross expenditure on the provision of services to be one of the principal considerations for stakeholders in assessing the financial performance of the Council. Pension Fund We determined planning materiality to be £24 million, which is 1% of the Pension Fund's net assets as per the draft financial statements. We consider the net assets of the Pension Fund to be one of the principal considerations for stakeholders in assessing the financial performance of the Pension Fund.
Reporting threshold	Council We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.491 million. Pension Fund We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1.2 million.

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

Section 4

Value for Money

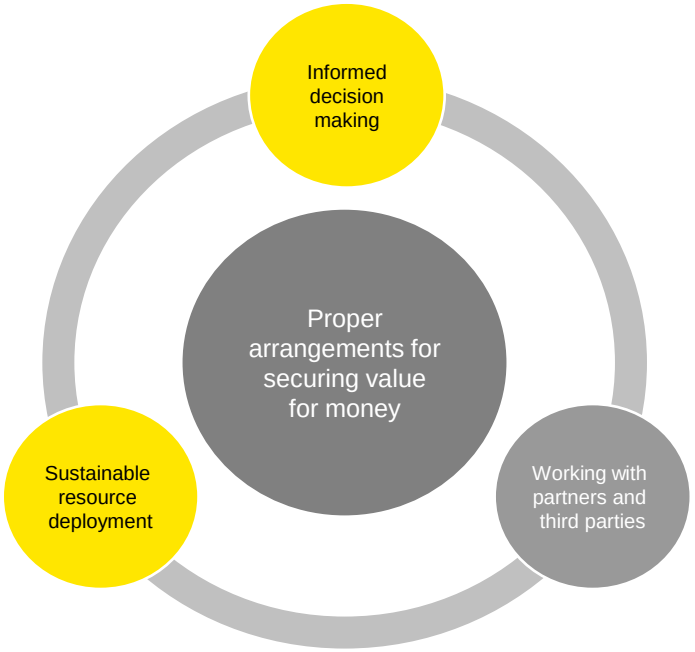
Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in 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.

On 16 April 2020 the National Audit Office published an update to auditor guidance in relation to the 2019/20 Value for Money assessment in the light of Covid-19. This clarified that in undertaking the 2019/20 Value for Money assessment auditors should consider NHS bodies' response to Covid-19 only as far as it relates to the 2019-20 financial year; only where clear evidence comes to the auditor's attention of a significant failure in arrangements as a result of Covid-19 during the financial year, would it be appropriate to recognise a significant risk in relation to the 2019-20 VFM arrangements conclusion.



We identified four significant risks in relation to these arrangements. The tables below present the findings of our work in response to the risks identified and any other significant weaknesses or issues to bring to your attention.

The Council was proactive throughout the 2019/20 financial year in addressing several issues that were identified in the prior year. However, during the year to 31 March 2020, weaknesses in arrangements were still in evidence, as reflected in the Ofsted findings for improvement in Children's Services. In addition, weaknesses in risk management arrangements remained, with the Corporate Risk Register not being sufficiently comprehensive and not providing sufficient detail of the risks and the related controls in order to be effective in mitigating risks for the Council.

We issued a qualified value for money conclusion, reflecting weaknesses present in the Council's arrangements to fully implement Ofsted inspection findings and risk management during 2019/20.

Value for Money (cont'd)

Significant Risk	Conclusion
Financial resilience The Council has a history of serious financial difficulties, with inadequate budgeting and monitoring processes, evidenced by adverse value for money conclusions in 2017/18 and 2018/19. Some progress was noted up to the end of 2018/19 in relation to the Council's arrangements to recover the financial position based on sustained efforts to identify additional savings and in-year mitigations, as well as tighter monitoring of expenditure. Monthly updates and discussions regarding financial performance are evidenced in the Cabinet minutes through the Monthly Revenue Finance Reports, with an improved level of detail to support informed decision making. However, more action and progress was required to achieve a sustainable financial position. Although the Council delivered an underspent position for 2018/19, this was heavily reliant on a capital dispensation obtained, the S114 Notice being in place keeping spending to a minimum required level, and the one-off measures and non-recurrent transactions identified in the year. The savings identified in the Stabilisation Plan were only partially achieved (less than 50%), which suggests that either the planned savings were overly ambitious, or the Council failed to implement the necessary actions to achieve them.	Our work focused on assessing whether: • Management actively monitored performance against the budget during the year and, if necessary, took reasonable actions to address divergences; • The Council used reasonable assumptions for the preparation of the 2020/21 MTFP; • The level of savings assumed within the 2020/21 MTFP were realistic considering the Council's past performance in achieving planned savings; and • The available reserves and balances were adequate compared to the Council's overall budget requirements and arrangements were established to ensure these were used in a sustainable manner to address unexpected/one-off events. We concluded that the Council had proper arrangements in relation to financial resilience to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people during 2019/20.

Value for Money (cont'd)

Significant Risk	Conclusion
Children's Services Inspections of Children's Services undertaken by Ofsted in 2016 and 2018 assessed the service as 'requires improvement' in all areas. The Council took steps, such as the creation of Northamptonshire Children's Improvement Plan, to address the concerns raised by Ofsted. The target dates for most of the actions were predominately in FY 2019/20.	Ofsted undertook one inspection during 2019/20, in June 2019. The Council were rated inadequate in 3 of the 4 areas of inspection. The Ofsted report stated "*Northamptonshire's Children's Services are failing to keep children safe. While some progress has been made since the Ofsted focused visit in October 2018, there remains a range of significant weaknesses in services whose effectiveness is central to protecting* children". A revised Statutory Direction was issued to Northamptonshire County Council on 10 June 2019 due to continued poor performance in children's social care services. This included a Direction for the Council to work with the Secretary of State for Education and/or the Children's Services Commissioner towards the establishment of a wholly owned Council company for the delivery of Children's social care services (or Children's Services trust) in Northamptonshire. Our review found that the Council had not effectively addressed the areas of concern identified by Ofsted during 2019/20. Whilst there was a sufficient level of oversight from Cabinet and the Oversight & Scrutiny Committee, the June 2019 Ofsted report rated the service "inadequate" across several different judgement areas. Improving services to achieve the next level (i.e. "requires improvement") will require significant change and development from the Council. A review of the Oversight & Scrutiny Committee minutes throughout the year showed the Council had been pro-active in addressing the concerns about social worker recruitment and retention, and the decision to create a Trust to try and create an effective vehicle for decisive change is evidence that the Council was taking action to improve Children's Services. Having the Northamptonshire Children's Improvement Plan to use as a basis for necessary improvement indicates that actions were being taken to address the concerns raised by Ofsted, Indeed, an Ofsted report in October 2020 stated that "*inspectors found convincing evidence that services for children and young people in Northamptonshire are starting to improve, albeit from a very low base*". Whilst the Council had taken steps to improve Children's Services throughout the year, it had not managed to address all of Ofsted's findings. We concluded the Council did not have proper arrangements to respond to the recommendations raised by Ofsted during 2019/20. We qualified our VFM conclusion in this respect.

Value for Money (cont'd)

Significant Risk	Conclusion
CQC local system review A local system review for Northamptonshire was carried out by the Care Quality Commission in April 2018, reporting in June 2018, to understand how people move through the health and social care system in Northamptonshire. The report highlighted weaknesses and challenges in the system and included suggested areas of focus for the system to secure improvement. The Council implemented a series of changes in light of the CQC Report during 2018/19. However, by June 2019, five out of 23 actions remained outstanding.	The Council has continued to implement changes throughout 2019/20 in response to the 2018 CQC report. The Council has continued to make progress on implementing its action plan, and at the end of 2019/20 the action plan was substantially completed and being used to monitor continued development against the key improvement themes. Whilst the action plan produced by the Council did not clearly identify how the actions included would address the specific CQC recommendations initially, the condensed plan made this more discernible. In 2019/20, the Health and Wellbeing Board (HWB) received multiple updates on the CQC report and action plan and, given the progress made against the plan, this appears to have been an effective and appropriate approach. The Council has addressed the findings from the CQC report and needs to continue to build and develop in those areas to ensure improvement in care continue and that the next CQC review produces a positive result. We therefore concluded that the Council had proper arrangements in relation to taking properly informed decisions, deploying resources in a sustainable manner and working with partners and other third parties in respect of responding to the findings from the CQC local system review during 2019/20

Value for Money (cont'd)

Significant Risk	Conclusion
Risk management The Council had a history of weaknesses for its risk management framework as evidenced by adverse VFM conclusions in 2017/18 and 2018/19. Our work in 2018/19 identified, whilst the risk registers were maintained on a regular basis and there is evidence they were updated and reviewed with regularity by the Audit Committee, the quality of the Corporate Risk Register was insufficient. Failure to properly identify, address and monitor risks will limit the Council's ability to make informed decisions and deploy resources sustainably.	The creation and maintenance of a risk register shows the Council had a proactive approach to risk management, and that it has considered specific controls to mitigate the risks identified. Review of the risk registers presented to the Council throughout the year however identified flaws and lack of detail in the risks and controls. For example, risks were not sufficiently detailed and it is unclear which controls are intended to address which risks. In addition, the Council had not documented any consideration of the effectiveness of the deployed controls, nor indicated how the adequacy assessment was made. Internal Audit's review of the Corporate Risk Register found some of the risks were missing triggers and there were omissions from the control environment. Overall, whilst the risk registers were maintained on a regular basis and appear to be updated and reviewed regularly by the Audit Committee, the Corporate Risk Register was not sufficiently comprehensive and did not provide sufficient detail of the risks and the related controls to be effective in mitigating risks for the Council. This results in a risk that failure to properly identify, address and monitor risks will limit the Council's ability to make informed decisions and deploy resources sustainably. We concluded there were significant weaknesses in arrangements during 2019/20. We qualified our VFM conclusion in this respect.

Section 5

Other Reporting Issues

Other Reporting Issues

Whole of Government Accounts

We are required to perform the procedures specified by the National Audit Office on the accuracy of the consolidation pack prepared by the Council for Whole of Government Accounts purposes.

HM Treasury (HMT) have closed the 2019/20 data submission cycle and it is no longer possible for entities to submit their cycle 2 data. They are not putting in place alternative arrangements for 2019/20 data collection. The NAO will only expect to receive assurance statements going forwards where these relate to submissions made on or before the 17th of December 2021. We are waiting formal notification from HMT that this removes the audit responsibility to issue an assurance statement in respect of the Council's Whole of Government Accounts 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.

Other Reporting Issues (cont'd)

Objections Received

We did not receive any objections to the 2019/20 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 & Governance Committee of West Northamptonshire Council, as the successor body to Northampton Borough Council, on 29 September 2021. 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 audit approach and have therefore not tested the operation of controls.

In the prior year, we reported significant difficulties that caused delays to our audit. Although there are still legacy issues faced by the Council's closedown team in retrieving some documents, the 2019/20 audit was significantly smoother. We would however note that, although the working papers have improved significantly, further improvements are still required and in some areas the working papers are still poor.

We provided a more detailed report to management which includes commentary on the issues identified and a follow-up of issues presented to previous committees. The matters identified are limited to those that we identified during the audit and that we concluded are of sufficient importance to merit being reported to management.

Section 6

Focused on your future

Focused on your future

The Code of Practice on Local Authority Accounting in the United Kingdom introduces the application of new accounting standards in future years. The impact on the Council is summarised in the table below.

Standard	Issue	Impact
IFRS 16 Leases	Originally intended to be applicable for local authority accounts from the 2020/21 financial year, the adoption of the new standard has been deferred to avoid placing additional pressure on local authority finance teams during the Covid-19 pandemic. It is current proposed that IFRS 16 will be applicable for local authority accounts from the 2022/23 financial year. The main impact of the new standard is to remove (for lessees) the traditional distinction between finance leases and operating leases. Finance leases have effectively been accounted for as acquisitions (with the asset recognised on the balance sheet, together with a liability to pay for the asset acquired). In contrast, operating leases have been treated as "pay as you go" arrangements, with rentals recognised as expenditure in the year they are paid. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset. For local authorities who lease a large number of assets the new standard will have a significant impact, with the majority of current leases likely to be included on the balance sheet. There are transitional arrangements within the standard and although the 2022/23 Accounting Code of Practice for Local Authorities will not be issued for some time yet, CIPFA have issued some limited provisional information which begins to clarify what the impact on local authority accounting will be. Whether any accounting statutory overrides will be introduced to mitigate any impact remains an outstanding issue.	Until the 2022/23 Accounting Code is issued and any statutory overrides are confirmed there remains some uncertainty in this area. However, what is clear is that the Council will need to undertake a detailed exercise to identify all of its leases and capture the relevant information for them. The Council must therefore ensure that all lease arrangements are fully documented.

Section 8

Audit Fees

Audit Fees

Our fee for 2019/20 Northamptonshire County Council audit is set out below. We confirm we have not undertaken any non-audit work.

Description	Proposed Final Fee 2019/20 £	Scale Fee 2019/20 £	Final Fee 2018/19 £
Northamptonshire County Council Total Audit Fee – Code work	420,000***	105,998 **	797,457 *

* The proposed fee for 2018/19 in the table above has been approved by management and submitted to PSAA Ltd for their consideration. This has not yet been approved by PSAA Ltd and as such we have not yet billed any fee in excess of the scale fee.

** As noted in our Audit Planning Report, we have agreed with PSAA that we will agree an amended scale fee to reflect the level of additional risk in the audit. We will set out our considerations of our fee to management and provide details to support the proposed scale fee variation. The key elements driving the additional fee in 2019/20 are:

- Increased risk profile – the audit was designated as close monitoring due to the risk profile arising from high levels of public scrutiny due to its financial position and the transition to a unitary authority model across Northamptonshire The audit response included the allocation of a Partner as Engagement Lead, with support from an Associate Partner and Senior Manager and a Partner as an engagement quality control reviewer.
- Increased risk profile – audit work on six significant risk areas and three further areas of focus, this includes the engagement of audit specialists.
- Increased risk profile – application of lower materiality levels, resulting in increased samples across all audit work.
- Increased consultation with EY's professional practice team concerning prior period adjustments, going concern and the audit report.
- Increased audit time on areas where it was difficult to audit due to the inherent systems of financial reporting and record keeping applied in the financial year.
- VFM work on four significant risk areas.

*** Our final proposed fee for 2019/20 is subject to the approval processes of PSAA Ltd.

Audit Fees

Our fee for the 2019/20 Northamptonshire Pension Fund audit is based on the scale fee set by the PSAA as reported in our Audit Results Report present to the 18 March 2021 Audit Committee. The table below shows the final position of the audit fee. This has yet to be approved by PSAA.

Description	Final Fee 2019/20	Planned Fee 2019/20	Final Fee 2018/19
	£	£	£
PSAA Scale Fee – Code work	18,699	18,699	18,699
Additional code work and associated fees:			
Additional procedures on going concern and subsequent events	4,500		8,000
Additional planning risk assessment procedures in relation to Covid-19	1,000		
Additional procedures on valuation of complex (level 3) investments	6,400		
Consideration of material uncertainty of valuation of pooled property investments in light of Covid-19	1,000		
Additional time spend due to Covid-19 remote working inefficiencies	3,000		
Additional procedures to review ACCESS pooling arrangements	1,000		
Total Audit Fee – Code work	**35,599**	**18,699**	**26,669**
Non-code work: annual IAS 19 assurance procedures	12,000	12,000	5,500
Non-code work: additional IAS 19 assurance procedures on membership number data, specifically on Northamptonshire County Council members.	2,500		
Non-code work: Triennial valuation review procedures, including detailed membership record testing	10,500		
Total Audit Fee – Non-code work	**25,000**	**12,000**	**5,500**
Overall Total Audit Fee	**60,599**	**30,699**	**32,169**

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