

Auditor's Annual Report

City of Bradford Metropolitan District
Council – year ended 31 March 2021

March 2022



Contents

- 01** Introduction
- 02** Audit of the financial statements
- 03** Commentary on VFM arrangements
- 04** Other reporting responsibilities

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01

Section 01: **Introduction**

1. Introduction

Purpose of the Auditor’s Annual Report

Our Auditor’s Annual Report (AAR) summarises the work we have undertaken as the auditor for City of Bradford Metropolitan District Council (‘the Council’) for the year ended 31 March 2021. Although this report is addressed to the Council, it is designed to be read by a wider audience including members of the public and other external stakeholders.

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



Opinion on the financial statements

We issued our audit report on 21 December 2021. Our opinion on the financial statements was unqualified.



Value for Money arrangements

In our audit report issued on 21 December 2021 we reported that we had not completed our work on the Council’s arrangements to secure economy, efficiency and effectiveness in its use of resources and had not issued recommendations in relation to identified significant weaknesses in those arrangements at the time of reporting.

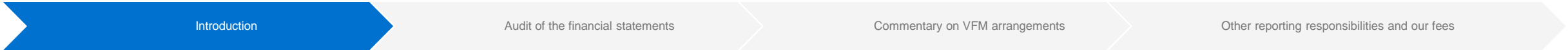
Since our report issued 21 December 2021, we have updated our understanding of the Council’s arrangements in light of the emerging issues in regard to the Council’s Children’s Services. Section 3 confirms that we have completed this work and provides our commentary on the Council’s arrangements and a summary of our recommendations.



Wider reporting responsibilities

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

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



02

Section 02:

Audit of the financial statements

2. Audit of the financial statements

The scope of our audit and the results of our opinion

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

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Council and whether they give a true and fair view of the Council's financial position as at 31 March 2021 and of its financial performance for the year then ended. Our audit report, issued on 21 December 2021 gave an unqualified opinion on the financial statements for the year ended 31 March 2021.

Our Audit Completion Report 2020/21, presented to the Governance and Audit Committee on the 25 November 2021 and our follow-up letter dated 21 December 2021, provides further details of the findings of our audit of the Council's financial statements. This includes our conclusions on the identified audit risks and areas of management judgement, internal control recommendations and audit misstatements identified during the course of the audit. There are no matters raised in our Audit Completion Report 2020/21 that we need to repeat in this report.

The results of our opinion audit (West Yorkshire Pension Fund)

We have audited the financial statements of West Yorkshire Pension Fund ('the Pension Fund') for the year ended 31 March 2021, which comprise the Fund Account, the Net Asset Statement, and notes to the financial statements, including a summary of the significant accounting policies. Our audit report, issued on 21 December 2021 gave an unqualified opinion on the financial statements for the year ended 31 March 2021, and there were no significant matters arising from the work performed.

03

Section 03:

Commentary on VFM arrangements

3. VFM arrangements – Overall summary

Approach to Value for Money arrangements work

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

- **Financial sustainability** - How the Council plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the Council ensures that it makes informed decisions and properly manages its risks
- **Improving economy, efficiency and effectiveness** - How the Council uses information about its costs and performance to improve the way it manages and delivers its services

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

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

In our Audit Strategy Memorandum presented in March 2021, we highlighted two areas of focus relating to Council's Value for Money arrangements We have since updated our understanding and this report confirms that of these two areas of focus, one risk of significant weakness in arrangements remains, as highlighted on page 11.

In instances where our risk-based procedures identify actual significant weaknesses in arrangements, we are required to report these and make recommendations for improvement. We outline the identified significant weaknesses and our associated recommendation on page 15.

The table below summarises the outcomes of our work against each reporting criteria. On the following page we outline further detail of the work we have undertaken against each reporting criteria, including the judgements we have applied.

Reporting criteria	Commentary page reference	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability	9	No	No
Governance	11	Yes – see risk on page 11	Yes – see recommendation on page 15
Improving economy, efficiency and effectiveness	14	No	No

3. VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

How the Council identifies significant financial pressures that are relevant to its short and medium-term plans

The Medium Term Financial Strategy 2020/21 to 2022/23 (MTFS), includes financial projections, analysis and context to support the delivery of the Council's key priorities as set out in the Council Plan (2021-25).

The MTFS is refreshed annually, to ensure decisions are based on the latest financial information. In July 2021 the Council updated the MTFS to consider the impact of the Government's local government finance settlement, the impact of Covid-19 on the Council's funding and changes to local taxation retention. This refresh also took into account any impact of the Council's 2021-22 budget and changes to the Council's key priorities due to the pandemic.

The Council's capital investment plan (2021-22 to 2024-25) sets out the Council's long term capital programme and is underpinned by the Council's annual capital investment strategy (2021-22).

Quarterly budget position statements are presented to the Executive, underpinned by budget monitoring within each of the Council's services, which are reported to Departmental and Council Management Teams. These reports provide a clear summary of the projected outturn and the actuals, along with supporting narrative to explain any significant changes. Implications of overspends and non-delivery of planned savings and efficiencies are set out in each report.

As part of the annual budget and MTFS setting process, savings and efficiency requirements have been identified. In 2020-21 new saving plans of circa £0.3 million were identified, which built on existing saving plans already included in the MTFS. They predominantly relate to Adult Social Care where savings targets amount to £13.8 million by 2022-23.

The Council has a good track record of delivering its budget, in 2020-21 the Council reported an underspend of £0.4m against its £378.1 million net revenue budget. In its latest budget position statement (quarter 2, 2021-22) management is projecting a £5.5 million overspend against its net revenue budget of £385.4 million. Consistent with previous years, much the budget pressures relate to Children's services and as in previous years, the Council plans to bridge this gap by identifying additional savings to mitigate this overspend.

Based on our work, there is evidence of effective financial management arrangements despite the continued financial pressures, including the on-going Covid-19 pandemic and recent issues relating to Children's services.

How the Council plans to bridge funding gaps and identifies achievable savings

The overarching MTFS includes the identification of savings and efficiencies up to 2023, after taking into estimated funding. The MTFS highlights a potential budget gap of £42.3 million over the life of the MTFS, which the Council plan to mitigate by identifying additional savings, increasing income or the use of reserves. However, management has confirmed the gap is predicated by several uncertainties which will be revisited when more information is available.

The annual budget savings cycle is a continuous approach with budget developments brought to the Executive for consideration throughout the year so that resources can be allocated to services and members can consider various outcomes.

The 2020/21 budget included savings of approximately £20.2 million (building on savings already included in the MTFS), of which approximately £13.1 million was achieved. In the context of the net budget, this is not a significant amount. The 2021/22 budget, approved in February 2021, included a savings total of £9.1 million, of which £8.4 million relates to Adult services. At the time of writing this report, the Council is forecasting that £6.3 million of this saving target will not be achieved, however Covid-19 funding has been allocated to off-set this pressure.

While the Council faces significant pressures to deliver its savings plans, our work did not identify any evidence to indicate a significant weakness in arrangements.

How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The Council's MTFS provides a framework to achieve a sustainable financial position over the medium-term, aligned to the Council Plan. The key principles within the MTFS are designed to:

- ensure resources are targeted on statutory and front-line services and protecting key priority services, focused on need rather than want; and
- managing demand - implementing strategies and policies that enable the Council to manage demand and enable transformation plans.

3. VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria - continued

How the Council ensures that its financial plan is consistent with other plans

The Council's MTFS sets out the financial context for the Council's resource allocation process and budget setting, therefore, underpinning decision-making and other plans.

As part of ensuring the consistency of the MTFP and annual budget with other plans, significant consultation is undertaken on the budget, both with internal and external stakeholders.

How the Council identifies and manages risks to financial resilience

As part of the annual budget report setting, the Council's Section 151 officer sets out his assessment of the adequacy of reserves and the robustness of budget estimates. Appropriate risk factors are considered as part of this assessment, including the level of reserves, prudential and treasury indicators and the robustness of inflationary estimates. This is underpinned by the review of reserves set out in the annual update of the Council's MTFS, which includes an estimate of projected earmarked reserves.

Earmarked reserves as at 31 March 2021 were £241.6 million (including schools reserves and the general fund balance), compared to £192.0 million the prior year. Much of the significant increase was due to additional the S31 Business Rates Grants and the Covid 19 funding reserves totalling £57.1 million (£32.7 million in 2019/20) received in year. These reserves are forecast to be used in 2021/22, to support the Collection Fund deficit arising from the pandemic and to support services impacted by Covid. Earmarked reserves (including the general fund balance and school reserves) are regularly reviewed and are projected to reduce over the life of the MTFS.

Based on the above considerations we not identified any significant weakness in the Council's arrangements in relation to financial sustainability.

3. VFM arrangements – Governance

Risks of significant weaknesses in arrangements

We have outlined below the risks of significant weaknesses in arrangements that we have identified as part of our continuous planning procedures, and the work undertaken to respond to each of those risks.

Risk of significant weakness in arrangements		Work undertaken and the results of our work
1	<p>Issues which led to a qualified ‘except for’ VFM conclusion in the 2019/20 audit</p> <p>In our Audit Strategy Memorandum, presented in March 2021, we highlighted the following area of focus:</p> <p><i>Although we are no longer required to provide a qualified or unqualified conclusion, in 2019/20 we reported - Ofsted’s monitoring visit letter of 19 March 2020 highlighted that there are several areas in which improvement was required. We expected an updated assessment in 2021 (originally the full visit was going to be in 2020, before COVID-19), however until then children’s social care services continue to be rated as ‘inadequate’ by Ofsted.</i></p>	<p>Work undertaken</p> <p>Our value for money procedures included, but were not limited to:</p> <ul style="list-style-type: none">• Reviewing Monitoring Letters issued by Ofsted following monitoring visits in 2021.• Ongoing discussions with senior management on progress in addressing Ofsted recommendations.• Reviewing arrangements the Council put in place to address the weaknesses identified in Ofsted reports and letters. <p>Results of our work</p> <p>In our view, Ofsted letters issued during 2021 continue to highlight significant weaknesses in the Council’s arrangements to fully address Ofsted recommendations in relation to several aspects of children’s services, particularly the slow pace of change in fully addressing the weaknesses identified in Ofsted reports and monitoring letters. A significant weakness has therefore been identified in relation to Governance, which is covered in more detail on page 15 of this report.</p>

3. VFM arrangements – governance

Overall commentary on the governance reporting criterion

How the Council monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Council has approved and adopted a Code of Corporate Governance. The Council’s Annual Governance Statement sets out how the Council has complied with this Code during the year. As part of our audit procedures we considered the Council’s Annual Governance Statement. This included consideration of the Statement and our cumulative audit knowledge. We identified no matters indicating a significant weakness in arrangements.

The strategic risk register is considered by the Council Management Team and Executive Committee, setting out strategic and corporate risks, along with sources of assurance, both internal and external. There is appropriate challenge by Committee Members of this summary, which provides a useful overview of the many sources of evidence and various assurance activities.

We confirmed that the Governance and Audit Committee received regular updates on the Internal Audit Plan. Internal Audit reviews highlight weaknesses and recommends actions when required to strengthen processes or procedures. These are regularly reported to the Governance and Committee which holds management to account where weaknesses are identified. The Governance and Audit Committee monitors management actions in response to recommendations and this is reported on a regular basis. The Governance and Audit Committee challenges management if recommendations are not implemented within the agreed timeframe.

The Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control which was reported to the Governance and Audit Committee in July 2021.

How the Council approaches and carries out its annual budget setting process

The Council’s MTFS arrangement includes the identification and evaluation of risks to the Council’s finances.

We have reviewed the budget setting arrangements through observation and discussions with officers. No matters have been identified indicating a significant weakness in arrangements. Overall, the Council is aware of the financial pressure it faces. We confirmed that scenario plans are in place to identify the potential financial impact of risks occurring.

How the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency

We have reviewed Council reports and minutes throughout year and have not identified any evidence of a weakness in arrangements. The reports we reviewed support informed decision-making and were clear in the decision or recommendation Members were asked to make.

The Council publishes on its website a notice of key decisions. This includes officer decisions under the Officer Scheme of Delegations.

The Council has several scrutiny committees which provide an opportunity to challenge decisions. The Corporate Overview and Scrutiny Committee is in place to oversee and coordinate the work and our work identified no matters that indicate a significant weakness in arrangements.

The Council implemented measures to ensure that services could continue despite the restrictions arising during the COVID-19 pandemic. The arrangements included live streaming to allow the public to observe Council meetings.

How the Council monitors and ensures appropriate standards are maintained

The Council’s Constitution is regularly reviewed (last updated in August 2021) and sets out how the Council operates, how decisions are made and the rules and procedures which are followed to ensure that these are efficient and transparent to local people. Supporting the Constitution are codes of conduct for Members and officers. Registers of gifts and hospitality and registers of interest are maintained for Members and officers and are available on the Council website. The Statement of Accounts records material related party transactions as well of senior officer pay and Member allowances. We considered these disclosures and compared them with the interests declared, with no significant issues arising.

We confirmed that contract procedure rules are in place and require procurement decisions to comply with appropriate standards. Contract registers are available on the Council website.



3. VFM arrangements – governance

Overall commentary on the governance reporting criterion - continued

There is regular reporting of treasury management activity that details the Council's investments, cash and borrowing positions. The Treasury Management Strategy was approved ahead of the 2020/21 financial year and sets out the Council's measures against which treasury management can be assessed. The measures include those designed to mitigate risk to the Council's finances and we identified no evidence to indicate a weakness in arrangements.

The Standards Committee is responsible for promoting, maintaining and advising on high standards of conduct by councillors and co-opted members.

Due to identified weaknesses in the Council's arrangements to fully address Ofsted recommendations, particularly the slow pace of change in fully addressing the weaknesses identified in Ofsted reports and monitoring letters, we have highlighted a significant weaknesses in arrangements and made recommendations for improvement, as outlined on page 15.

No other weaknesses have been identified.



3. VFM arrangements – improving economy, efficiency and effectiveness

Overall commentary on the improving economy, efficiency and effectiveness reporting criterion

How financial and performance information has been used to assess performance to identify areas for improvement

Arrangements are in place to measure the quality of services, to ensure they are delivered in line with the Council’s objectives and priorities and for ensuring that they provide value for money. There are performance management arrangements in place, including regular reporting to the Council Management Team and Scrutiny Committees.

Performance is monitored by the Executive Committee, including scrutiny of the Full-year Performance Report, which provides and update on the Council’s annual performance. Each year the Executive Committee agree key performance indicators which are monitored and reported in the Performance Report.

As highlighted in the Financial Resilience section of this report, the Council’s MTFS is used to assist the Council deliver key Corporate objectives and strategies, which is regularly reviewed by members.

How the Council evaluates the services it provides to assess performance and identify areas for improvement

Alongside the performance framework set out above, the Council also considers the output from regulators to evaluate performance and identify areas for improvement. The output from regulators feeds into the Council’s overall corporate risk register, which is reported to the Governance and Audit and Committee.

On page 11 of this report, we have highlighted a risk of significant weakness in the Council’s arrangements, which relates to Ofsted’s review of Children’s services.

How the Council ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

The Bradford Council Plan 2021/25 has been developed with key partners and sets out the long-term ambitions and priorities for the Council, across its priority areas. While the plan makes reference to partnership working, it does not explicitly confirm how these arrangements will work. However, our wider knowledge of the Council

provides assurance that these arrangements are in place.

The Council is one of nine other councils, that make up the Leeds City Region, which along with private sector organisations are members of the Leeds City Region Enterprise Partnership. The partnership oversees and makes decisions about the city region’s strategic economic plan.

The Council is also a constituent member of West Yorkshire Combined Authority, which in conjunction with other councils across the city region, is responsible for economic development, regeneration and transport decisions in an area.

The Council is leading member the Health and Wellbeing Board, which brings together leaders from across the district including the Council, the NHS, the Police, Fire and Rescue, social housing and the Voluntary and Community sector, to provide strategic leadership across a wide range of health and wellbeing outcomes across the district and the wider West Yorkshire region.

The Council works in partnership with West Yorkshire Health and Care Partnership which is an ‘Integrated Care System’, which brings together NHS organisations, councils, charities and the community and the social enterprise sector to improve the health and wellbeing of local people across West Yorkshire.

Each year after Council has agreed the Council’s budget and before commencement of the financial year the Council produces an annual procurement plan for all procurements of works, goods or services to be undertaken in the forthcoming financial year. Individual procurement plans are approved by the Chief Financial Officer before they are included in the procurement plan, which is published on the Council’s website.




Based on the above considerations we have not identified any significant weakness in the Council’s arrangements in relation to improving economy, efficiency and effectiveness.



3. Identified significant weaknesses and our recommendations

Identified significant weaknesses in arrangements and recommendations for improvement

As a result of our work we have identified a significant weakness in the Council’s arrangements to secure economy, efficiency and effectiveness it its use of resources. This identified weakness is outlined in the table below.

Identified significant weakness in arrangements		Financial sustainability	Governance	Improving the 3Es
1	<p>Progress in addressing weaknesses identified by Ofsted’s 2018 inspection of Children’s Services</p> <p>In 2018 Ofsted assessed children’s services as ‘Inadequate’. In response to Ofsted’s recommendations, the Council developed an action plan to address the issues highlighted by Ofsted.</p> <p>Since the 2018 visit, Ofsted has made several follow-up monitoring visits, and issued Monitoring Letters, summarising their views on progress to-date. In December 2020 Ofsted undertook a focused visit, (reported in February 2021) and shortly after completed a further monitoring visit in April 2021 (reported in June 2021). Ofsted’s Monitoring Letters, issued after these visits, highlighted that whilst the Council had made improvements, concerns remained about the pace of improvement since they issued their 2018 inspection report. In particular, Ofsted recommended that the Council needed to improve in the following key areas:</p> <ul style="list-style-type: none">• workforce challenges, including oversight and workforce instability;• poor working practices, including high caseloads and ineffective planning; and• effectiveness of corporate parenting. <p>In our view, Ofsted’s concerns around the Council’s progress in addressing the identified weaknesses in children’s services represent a significant weakness in arrangements in relation to Governance and how the Council implements or achieves progress on recommendations raised as a result of previous recommendations from Ofsted.</p> <p>The Council recognises that the ongoing a failure to fully address the weaknesses identified in the 2018 Ofsted report and subsequent Monitoring Letters adversely impacts upon the quality of services provided to service users and may lead to further action by regulators.</p>			

3. Identified significant weaknesses and our recommendations

Identified significant weaknesses in arrangements and recommendations for improvement (continued)

Recommendation for improvement

In order to fully address ongoing concerns expressed by Ofsted in its 2018 Report and subsequent Monitoring Letters, the Council should continue to improve its arrangements and action plan.

The Council should also ensure that robust monitoring and reporting processes are in place and that challenge, scrutiny and escalation arrangements drive the required improvements for service users and sustain the progress made to-date in implementing the actions to address the issues raised by Ofsted.

Our views on the actions taken to date

Since the 2018 Ofsted inspection, management has implemented several actions, including but not limited to the following:

- management has developed an improvement plan, with key partners. The plan is reported internally to the Departmental Management Team and externally to the Children Improvement Board;*
- a suite of 'vital signs' performance metrics has been developed to track improvements and is regularly reported;*
- there is now enhanced 'system' support and thinking through the engagement of key partners on Children's Improvement Board;*
- there has been increased financial investment, using Covid grant and Council resources to support service delivery;*
- IT systems have been updated ensure they are appropriately configured to support service;*
- fixed term agency teams have been introduced to increase workforce resilience, retention and delivery against defined metrics;*
- recruitment processes have been refreshed to assist the recruitment and retention of critical roles including social workers, community resource workers, practice supervisors and team leaders;*
- An Assessed and Supported Year in Employment (AYSE) academy is in development, which is designed to attract a future workforce and develop resources for the Council;*
- social work academy is in development. This will support the continued progression and development of social workers;*
- the Council has increased overview and scrutiny of the service; and*
- management has placed additional emphasis on improving practise through training, supervision and audits.*

Despite implementing actions in response to the 2018 Ofsted report and subsequent Monitoring Letters, it is clear that to-date, the Council has not yet fully addressed all identified weaknesses.

In January 2022, following recommendations made by the Children's Services Commissioner the Council has announced that it plans to establish a Trust to run services for vulnerable children and families. The intention is that this will be a not-for-profit Trust, which will be owned by the Council and operate at arms-length under the control of a new independent Chair and Board of Directors.

As part of our 2021/22 audit, we will follow up the Council's progress in implementing arrangements to address the weaknesses and recommendations made by Ofsted and, more recently, by the Children's Services Commissioner.

04

Section 04:

**Other reporting responsibilities and
our fees**

4. Other reporting responsibilities and our fees

Matters we report by exception

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

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

We have not exercised any of these statutory reporting powers.

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

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

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

4. Other reporting responsibilities and our fees

Fees for work as the Council's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum presented to the Governance and Audit Committee in March 2021. Having completed our work for the 2020/21 financial year, we can confirm that our fees are as follows:

Area of work	2019/20 fees	2020/21 fees
Planned fee in respect of our work under the Code of Audit Practice	£142,694	£142,694
Additional testing on pension and property valuations	£16,730 ¹	£19,865
Quality and preparation issues	£12,735	£Nil
Additional work in regard to statutory requirements.	£2,085	£Nil
Additional fees in respect of the new VFM approach in (2020-21 only) and identified significant weaknesses in arrangements.	£5,027	£19,880
Increased FRC scrutiny – additional level of review for major local audit.	£2,965	£2,965
Additional fees in respect of the additional requirements of ISA (UK) 540 (Revised) – auditing accounting estimates and related disclosures	£Nil	£2,145
Total fees	£182,235	£190,324

¹ In 2019/20 our valuations work also included consideration of any potential impact of the Covid-19 pandemic, including valuation uncertainties.

4. Other reporting responsibilities and our fees

Fees for work as the Pension Fund's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum presented to the Governance and Audit Committee in March 2021. Having completed our work for the 2020/21 financial year, we can confirm that our fees are as follows:

Area of work	2019/20 fees	2020/21 fees
Planned fee in respect of our work under the Code of Audit Practice	£37,380	£37,380
Additional fees in respect of additional work in respect of unquoted investments	£8,000 ¹	£6,550
Additional fees relating to triennial valuation	£3,000	£Nil
Pension assurance letters to employer auditors	£25,180 ²	£20,150 ²
Total fees	£73,120	£64,080

¹ £6,550 of the additional audit cost in 2019/20 related to enhanced procedures on unquoted investments in response to increased regulatory expectations. £1,450 relates to additional work arising due to quality and timing of draft accounts

² During the year we have responded to requests received from employer body auditors to undertake a programme of work to provide assurance in respect of data held by the Fund, which is used by the actuary to calculate pension assets and liabilities for individual employers. It is expected that the Fund will recharge these fees to the relevant employers. This approach is in line with the PSAA Terms of Appointment, and the expectation within NAO's AGN01 General Guidance Supporting Local Audit.

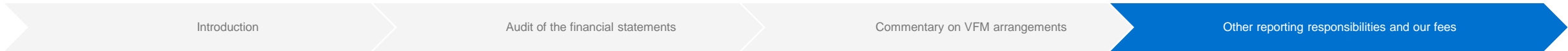
4. Other reporting responsibilities and our fees

Fees for other work

We carried out the following work for the Council in the year:

Area of work	2019/20 fees	2020/21 fees
Housing Benefits Subsidy 2020/21*	£9,210	£9,210
Total	£9,210	£9,210

*Housing Benefits work is being completed at the time of writing this report; any additional work required will be charged at our daily rate set out in our engagement letter



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*where permitted under applicable country laws.