

Rushmoor Borough Council

Audit Results Report - ISA (UK and Ireland) 260
for the year ended 31 March 2016

September 2016

Ernst & Young LLP



Building a better
working world

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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued “Statement of responsibilities of auditors and audited bodies 2015-16”. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk)

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

The ‘Terms of Appointment from 1 April 2015’ 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 Audit Results Report is prepared in the context of the Statement of responsibilities. This report is intended solely for the use of the Members of the audited body. We, as appointed auditor, take no responsibility to any third party.

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

1. Executive summary

The National Audit Office's Code of Audit Practice (the Code) requires us to report to those charged with governance – the Licensing and General Purposes Committee (LGPC) – on the work we have carried out to discharge our statutory audit responsibilities together with any governance issues identified. This report summarises the findings from the 2015/16 audit which is substantially complete. It includes messages arising from our audit of your financial statements and the results of the work we have undertaken to assess your arrangements to secure economy, efficiency and effectiveness in your use of resources.

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

| | |
|-----------------------|--|
| Status of the audit | <p>We have substantially completed our audit of the financial statements of Rushmoor Borough Council for the year ended 2015/16. Subject to satisfactory completion of the outstanding items included in Appendix C we will issue an unqualified audit opinion.</p> <p>We have performed the procedures outlined in our Audit Plan and anticipate issuing an unqualified opinion on the Authority's financial statements, subject to the satisfactory conclusion of the outstanding items.</p> <p>We expect to conclude that you have put in place proper arrangements to secure value for money in your use of resources.</p> <p>We have performed the procedures required by the National Audit Office (NAO) regarding the Whole of Government Accounts submission.</p> <p>We expect to issue the audit certificate at the same time as the audit opinion.</p> |
| Audit differences | <p>There is currently one unadjusted audit difference. This is an extrapolated error. Further details of the item can be found at Appendix B. We do not consider this to be material to our audit opinion. We ask the Committee to consider approving management's rationale as to why this correction has not been made and, if approved, include this in the Letter of Representation.</p> <p>Our audit identified only 1 further audit difference which our team have highlighted to management for amendment. We also highlighted a limited number of casting and consistency errors. These have been corrected during the course of our work and further details are provided at Appendix A. These adjustments have not had an impact on useable reserves.</p> |
| Scope and materiality | <p>In our audit plan presented at the 21 March 2016 Licensing and General Purposes Committee meeting, we communicated that our audit procedures would be performed using a materiality of £1,341,040. We have reassessed this based on the actual results for the financial year and we have increased this amount to £1,388,000. The basis of our assessment is 2% of gross operating expenditure, which has remained consistent with prior years.</p> <p>The threshold for reporting audit differences which impact the financial</p> |

statements has also increased from £67,052 to £69,400.

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

- Remuneration disclosures including any severance payments, exit packages and termination benefits: We reviewed all of the senior officer remuneration disclosures and selected a sample of Exit Packages to test. We did not identify any issues.
- Related party transactions. We reviewed the Related Party Transaction disclosure and also reviewed the Related Party transaction disclosure returns from officers and management. We did not identify any Related Party transactions outside the normal course of business.

We carried out our work in accordance with our Audit Plan.

Significant audit risks

We identified the following audit risks during the planning phase of our audit, and reported these to you in our audit plan:

- IPSAS 16 and IFRS 13 – Fair Value Measurement
- Risk of management override.

The 'addressing audit risks' section of this report sets out how we have gained audit assurance over those issues.

Other reporting issues

We have no other matters we wish to report.

Control observations

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

We note one observation and recommendation arising from our testing of Debtors.

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

Andrew Brittain

Executive Director
For and on behalf of Ernst & Young LLP

2. Responsibilities and purpose of our work

The Council's responsibilities

The Council is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement (AGS). In the AGS, the Council reports publicly on the extent to which it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes 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.

Purpose of our work

Our audit was designed to:

- Express an opinion on the 2015/16 financial statements and the consistency of other information published with them;
- Report on an exception basis on the Annual Governance Statement;
- Consider and report any matters that prevent us being satisfied that the Council had put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion); and
- Discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

In addition, this report contains our findings related to the areas of audit emphasis and any views on significant deficiencies in internal control or the Council's accounting policies and key judgments.

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the National Audit Office.

3. Financial statements audit

Addressing audit risks

We identified the following audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

A significant audit risk in the context of the audit of the financial statements is an inherent risk with both a higher likelihood of occurrence and a higher magnitude of effect should it occur and which requires special audit consideration. For significant risks, we obtain an understanding of the entity's controls relevant to each risk and assess the design and implementation of the relevant controls.

| Significant Risks (including fraud risks) | Audit procedures performed | Assurance gained and issues arising |
|---|---|--|
| <p>IPSAS 16 and IFRS 13 – Fair Value Measurement</p> <p>Changes to IPSAS 16 and IFRS 13 with respect to Investment Properties and Fair Value valuation respectively have come into effect for the financial year 15-16.</p> <p>The new IPSAS 16 standard could change the classification of an Investment Property if the property is used to facilitate the delivery of services or production of goods as well as to earn rental income or capital appreciation or both.</p> <p>The Council had approximately £26 m of Investment Property as at 31/03/15 and so any re-assessment to comply with IPSAS 16 or IFRS 13 could result in a material re-classification between Investment Properties and Other Land and Buildings.</p> | <p>Our approach focused on:</p> <ul style="list-style-type: none"> ▶ Reviewing the Council's assessment of the impact of IPSAS 16 and IFRS 13 on Surplus Assets and/or Investment Properties ▶ Reviewing the accounting treatment on any proposed adjustments as a result of the implementation of IPSAS 16 and IFRS 13; ▶ Testing a sample of assets to ensure that any reclassified assets are accurately reflected in the financial statements of the Council | <ul style="list-style-type: none"> ▶ We reviewed the Council's assessment of the impact of IPSAS 16 and IFRS 13 on Surplus Assets and/or Investment Properties and noted no issues. ▶ We tested a sample of assets classified as Investment Properties and agreed with the classification. ▶ We completed an assessment of the property valuation expert commissioned to undertake the valuation. This did not identify any issues. |

| | | |
|--|--|---|
| <p>Risk of management override</p> <p>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.</p> <p>For local authorities the potential for the incorrect classification of revenue spend as capital is a particular area where there is a risk of management override.</p> | <p>Our approach focused on:</p> <ul style="list-style-type: none"> • Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements • Reviewing accounting estimates for evidence of management bias; and • Evaluating the business rationale for any significant unusual transactions. • Reviewing capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised. | <ul style="list-style-type: none"> • We have not identified any material weaknesses in control or evidence of management override. • Our testing of journal entries did not identify adjustments which were outside the normal course of business. All journals tested had an appropriate business rationale. • The most significant accounting estimates in the financial statements relate to the net pension liability and property valuations. We found no indication of management bias in these estimates. • We have not identified any instances of inappropriate judgements being applied. • We did not identify any significant unusual transactions. • We did not identify any instances of incorrect classification of revenue or expenditure spend. |
|--|--|---|

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we are required to communicate to you significant findings from the audit and other matters that are significant to you oversight of the Council's financial reporting process, including the following:

- Qualitative aspects of your accounting practices; estimates and disclosures;
- Matters specifically required by other auditing standards to be communicated to those charged with governance. For example, issues about fraud, compliance with laws and regulations, external confirmations and related party transactions;
- Any significant difficulties encountered during the audit; and
- Other audit matters of governance interest

We have no matters we wish to report.

Control themes and observations

It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

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

We have reviewed the Annual Governance Statement and can confirm that it not misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Council.

As part of our testing of Debtors we identified an error in our existence testing of Debtors. We were unable to obtain supporting evidence for one of our samples selected. This was an old historical debtor from 1999/2000 which had not been provided against. It is good practice to regularly review old historical balances in relation to debtors and to ascertain the likelihood of recovering such money. We would recommend that a process of review is conducted to ensure that historical debts are supported by adequate documentation and suitably reviewed for recoverability. Where documentation is not available to support the existence of the Debtor then the balance should be considered for write off and suitably approved. Full details of the error with Debtors can be found in Appendix B.

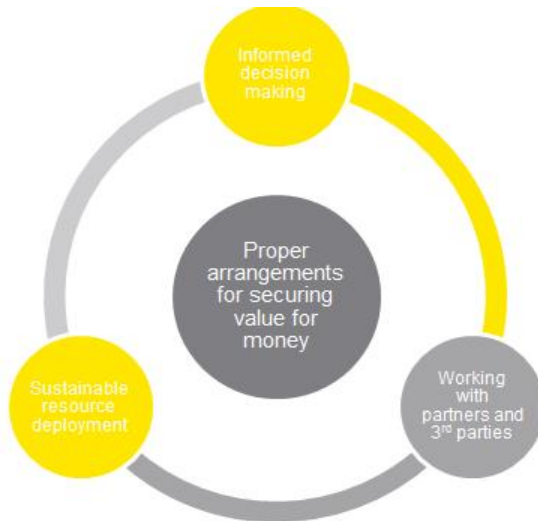
Request for written representations

We have requested a management representation letter to gain management's confirmation in relation to a number of matters. We have not requested any specific representations.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the National Audit Office. As you are under the WGA threshold we only need to complete some limited procedures and these have been completed. We have no issues from our work on the WGA.

4. Value for money



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

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

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

Overall conclusion

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

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

We therefore expect to conclude that you have put in place proper arrangements to secure value for money in your use of resources.

Appendix A – Corrected audit differences

We agreed that we would report all adjusted differences greater than our tolerable error threshold of £1.041 m. We have currently not identified any errors greater than this threshold.

We also note the changes to disclosures below which have been agreed by management

Disclosures

| Disclosure | Description |
|-----------------------------------|---|
| Brexit – Post Balance Sheet Event | Given the significance of the Brexit vote and the decision of the UK to leave the EU which occurred in June 2016 we asked officers to consider the potential implications of Brexit at Rushmoor Borough Council. It was agreed that a Brexit disclosure would be included within the revised financial statements. This is categorised as a non-adjusting Post Balance Sheet event. |

Appendix B – Uncorrected audit differences

We agreed in our Audit Plan presented to the March 2016 Licensing and General Purposes Committee that we would report all unadjusted differences greater than our SAD threshold which is 5% of Gross Expenditure. This value is £69,400.

As part of our testing of Debtors we identified an error in our existence testing of Debtors. We were unable to obtain supporting evidence for one of our samples selected. This was an old historical debtor from 1999/2000 which had not been provided against. The value of the error identified was £76 k. This error was discussed with the finance team. When we extrapolated the value of the error over the population tested the value of the projected mis-statement was £183 k. This is the value of the potential error based on our testing methodology. This is over the reporting threshold for uncorrected adjustments however as the projection is in effect an estimate management have concluded that they will not adjust for this amount. We completed extended testing of the Debtors population and did not identify any other errors.

Appendix C – Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report

| Item | Actions to resolve | Responsibility |
|----------------------------------|--|---|
| Management representation letter | Receipt of signed letter of representation | Management and Licensing and General Purposes Committee |
| Accounts | <ul style="list-style-type: none"> • Incorporation of EY review comments on disclosure notes • Finalisation by management of disclosures related to Brexit • Approval of accounts by Licensing and General Purposes Committee • Accounts re-certified by RFO | EY, management and Licensing and General Purposes Committee |
| Subsequent events review | Completion of the subsequent events procedures to the date of signing the audit report | EY and management |
| Any other outstanding work | Management and EY to work together to complete any outstanding work | EY and management |

Appendix D – Independence

We confirm there are no changes in our assessment of independence since our confirmation in our Audit Plan dated 21 March 2016.

We complied with the Auditing Practices Board's Ethical Standards for Auditors and the requirements of the Public Sector Audit Appointments Ltd (PSAA)'s Terms of Appointment. 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 of regulatory and professional requirements.

We confirm that we are not aware of any relationships that may affect the independence and objectivity of the firm that we are required by auditing and ethical standards to report to you.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the Licensing and General Purposes Committee on 26 September 2016.

We confirm that we have met the reporting requirements to the Licensing and General Purposes Committee, as 'those charged with governance' under International Standards on Auditing (UK and Ireland) 260 – Communication with those charged with governance. Our communication plan to meet these requirements was set out in our Audit Plan of 21 March 2016.

Appendix E – Auditor fees

The table below sets out the scale fee and our final proposed audit fees.

| Description | Proposed final Fee 2015/16 £ | Scale Fee 2015/16 £ | Variation comments |
|-------------------------------------|---------------------------------------|---------------------------|-----------------------|
| Total Audit Fee – Code work | £49,838 | £49,838 | |
| Certification of claims and returns | £8,652 | £8,652 | |
| Total | £58,490 | £58,490 | |

Our actual fee is in line with the scale fee set by the PSAA at this point in time, subject to satisfactory clearance of the outstanding work.

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

Appendix F – Draft audit report

Independent auditor's report to the members of Rushmoor Borough Council

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUSHMOOR BOROUGH COUNCIL

Opinion on the Authority's financial statements

We have audited the financial statements of Rushmoor Borough Council for the year ended 31 March 2016 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Rushmoor Borough Council Movement in Reserves Statement,
- Rushmoor Borough Council Comprehensive Income and Expenditure Statement,
- Rushmoor Borough Council Balance Sheet,
- Rushmoor Borough Council Cash Flow Statement and the related notes 1 to 40,
- Rushmoor Borough Council Collection Fund and the related notes 1 to 3

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

This report is made solely to the members of Rushmoor Borough Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Rushmoor Borough Council and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Chief Financial Officer and auditor

As explained more fully in the Statement of the Chief Financial Officer's Responsibilities set out on page 1, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Rushmoor Borough Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Financial Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Statement of Accounts 2015/16 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Rushmoor Borough Council as at 31 March 2016 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

Opinion on other matters

In our opinion, the information given in the Statement of Accounts 2015/16 for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Council;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects

Conclusion on Rushmoor Borough Council 's arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2015, as to whether Rushmoor Borough Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Rushmoor Borough Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, Rushmoor Borough Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance issued by the C&AG in November 2015, we are satisfied that, in all significant respects, Rushmoor Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

Certificate

We certify that we have completed the audit of the accounts of Rushmoor Borough Council 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.

Andrew Brittain (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Appointed Auditor
Reading
26 September 2016

Appendix G – Required communications with the audit committee

There are certain communications that we must provide to the Audit Committee of UK clients. These are detailed here:

| Required communication | Reference |
|--|--|
| Planning and audit approach Communication of the planned scope and timing of the audit, including any limitations. | Audit Plan |
| Significant findings from the audit <ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process | Audit Results Report |
| Going concern Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements | No conditions or events were identified, either individually or in aggregate, that indicated there could be doubt about Rushmoor Borough Council's ability to continue as a going concern for the 12 months from the date of our report. |
| Misstatements <ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ In writing, corrected misstatements that are significant | Audit Results Report |
| Fraud <ul style="list-style-type: none"> ▶ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud | We have made enquiries of management, those charged with governance and internal audit. We have not become aware of any fraud or illegal acts during our audit. |
| Related parties Significant matters arising during the audit in connection with the entity's related parties including, when applicable: <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity | We have not matters we wish to report. |

| Required communication | Reference |
|--|--|
| External confirmations <ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures | We have received all requested confirmations. |
| Consideration of laws and regulations <ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of | We have not identified any material instances of non-compliance with laws and regulations. |
| Independence Communication of all significant facts and matters that bear on EY's objectivity and independence Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence | Audit Plan and Audit Results Report. |
| Significant deficiencies in internal controls identified during the audit | Annual Audit Letter/Audit Results Report. |
| Fee Information <ul style="list-style-type: none"> ▶ Breakdown of fee information at the agreement of the initial audit plan ▶ Breakdown of fee information at the completion of the audit | Audit Plan Audit Results Report. |
| Certification work <ul style="list-style-type: none"> ▶ Summary of certification work undertaken | Certification Report. |

EY | Assurance | Tax | Transactions | Advisory

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