

Norfolk County Council and Pension Fund

Annual Audit Letter for the year
ended 31 March 2020

1 March 2021

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. A yellow triangle is positioned above the 'Y'.

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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.psa.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. 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

We are required to issue an Annual Audit Letter to Norfolk County Council (the Council) and the Pension Fund following completion of our audit procedures for the year ended 31 March 2020.

Covid-19 had an impact on a number of aspects of our 2019/20 audit. We updated our audit procedures to take account of the following issues:

Area of impact	Commentary
Impact on the delivery of the audit	
▶ Changes to reporting timescales	As a result of Covid-19, new regulations, the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 No. 404, were published and came into force on 30 April 2020. This announced a change to the publication date for final, audited accounts from 31 July to 30 November 2020 for all relevant authorities. We worked with the Council and Pension Fund to deliver our audit in line with the revised reporting timescale.
Impact on our risk assessment	
▶ Valuation of Property Plant and Equipment and Investment Property	The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty over the valuations in place at the 31 March 2020. Caveats around this material uncertainty were included in the year-end valuation reports produced by Management's external valuation experts..
▶ Disclosures on Going Concern	Financial plans for 2020/21 and medium term financial plans required revision to take account of Covid-19. We considered the unpredictability of the current environment gave rise to a risk that the Council and the Pension Fund would not appropriately disclose the key factors relating to going concern, underpinned by Management's assessment with particular reference to Covid-19.
Impact on the scope of our audit	
▶ Information Produced by the Entity (IPE)	We identified an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the Council's and Pension Fund's systems because of remote working protocols. We undertook the following to address this risk: <ul style="list-style-type: none">▶ Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and▶ Agree IPE to scanned documents or other system screenshots.
▶ Consultation requirements	Additional EY consultation requirements were required concerning the impact on auditor reports.

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	
▶ Financial statements - Council	Unqualified - the financial statements give a true and fair view of the financial position of the Council as at 31 March 2020 and of its expenditure and income for the year then ended.
▶ Financial statements - Pension Fund	Unqualified - the financial statements give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2020 and the amount and disposition of the fund's assets and liabilities as at 31 March
▶ Consistency of other information published with the financial statements (both Council and Pension Fund)	Other information published within the Statement of Accounts was consistent with the financial statements.
▶ Concluding on the arrangements for securing economy, efficiency and effectiveness (Council)	We concluded that the Council had put in place proper arrangements to secure value for money in its use of resources.

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

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	The WGA conclusion was delayed whilst the Council waited for HMT to resolve issues on the data submission system. The issues were resolved and we submitted the WGA assurance statement on 17 February 2021. We had no matters to report.

Executive Summary (cont'd)

As a result of the above we have also:

Area of Work	Conclusion
Issued a consistency statement that confirmed that the Pension Fund Annual Report was consistent with the audited Pension Fund financial statements.	We are required to give an opinion on the consistency of the financial statements of the pension fund included in the Pension Fund Annual Report of Norfolk Pension Fund. On 30 November 2020 we issued an opinion that stated the Pension Fund Annual Report was consistent with the audited Pension Fund financial statements.
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our respective Audit Results Report were presented to the Audit Committee on 15 October 2020, with an Addendum issued 30 November 2020.
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.	Our certificate was issued on the 17 February 2021.

We would like to take this opportunity to thank the respective Council and Pension Fund staff for their assistance during the course of our work and, in particular given the challenging priorities they faced as a result of their work in responding to the Covid-19 pandemic, their collaborative approach which enabled us to complete the 2019/20 audit by working remotely.

Mark Hodgson
Associate Partner
For and on behalf of Ernst & Young LLP

Section 2

Purpose and Responsibilities



Purpose and Responsibilities

The Purpose of this Letter

The purpose of this Annual Audit Letter is to communicate to the Council 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 Audit Results Report to the Audit Committee, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council and Pension Fund.

Responsibilities of the Appointed Auditor

Our 2019/20 audit work has been undertaken in accordance with the Audit Plans that we issued on 22 May 2020 for the Pension Fund, and 11 June 2020 for the Council, 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; and
 - ▶ On the consistency of other information published with the financial statements, including the Pension Fund Annual Report.
- ▶ 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.

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

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 - Council

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'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 the 30 November 2020.

Our detailed findings were reported to the 15 October 2020 Audit Committee, with an update Addendum issued 30 November 2020. The key issues identified as part of our audit were as follows:

Risks	Conclusion
Council	
Misstatements due to fraud or error	We did not identify any matters to report to the Council.
Incorrect capitalisation of revenue expenditure	We did not identify any matters to report to the Council.
Accounting adjustments made in the Movement in Reserves Statement	We did not identify any matters to report to the Council.
Pension liability	<p>Following the publication of the HM Treasury consultation on the remedy for the McCloud judgement in July 2020, together with updated assumptions for investment returns within the Norfolk Pension Fund, the Council obtained a revised actuarial reports from the Pension Fund Actuary. This showed a reduction in the Council's pension fund liability of £8.3 million, for which the financial statements were adjusted.</p> <p>The Norfolk Pension Fund audit reported that Year-end valuation testing of investments at 31 March 2020 identified an unadjusted understatement of investments of £13.722m (or 0.38% of the total value of investment value). Our work calculated the Council's share of this difference would be approximately £7.015 million. Therefore, the Council's share of pension fund assets used to calculate the net Pension liability is understated by £7.015 million. This would reduce the net Pension liability for the Council. The Council did not adjust the financial statements for this difference.</p>

Financial Statement Audit – Council (cont'd)

Key Issues (continued)

Risks	Conclusion
Council	
Valuation of Property, Plant and Equipment	<p>Testing identified a school capital project that completed in February 2020 and had not been transferred from Assets under Construction to Operational Assets. The value of the project was £5.890 million. The financial statements were amended for this classification amendment.</p> <p>The Council amended the financial statements to disclose the material valuation uncertainty paragraph included by its valuer in their valuation report.</p> <p>Sample testing of individual valuation reports identified two valuations where the fair value was not considered to be supportable and was below an expected range by a combined £0.5 million.</p> <p>We performed additional procedures to gain comfort that the reasons driving the under valuation were not replicated in other asset valuations. The remaining judgemental difference is below our reporting level and therefore considered immaterial.</p>
Conversion of schools to Academies	We did not identify any matters to report to the Council.
Accounting for Private Finance Initiatives (PFI)	We did not identify any matters to report to the Council.
Accounting for Dedicated School Grant (DSG)	<p>Our testing of the Council's DSG accounting and disclosures identified a disclosure adjustment concerning the new regulations and future funding.</p> <p>The Council has accounted for DSG in accordance with extant guidance applicable to the 2019/20 financial statements.</p>
Going Concern Disclosures	The Council assessed the impact of Covid-19 on its income, expenditure, cash and reserves position into 2020/21 and 2021/22. The Council amended the going concern disclosure in the financial statements.

Financial Statement Audit – Pension Fund

Key Issues

Risks	Conclusion
Pension Fund	
Misstatements due to fraud or error	We did not identify any matters to report to the Pension Fund.
Risk of inappropriate posting of investment valuation	We did not identify any matters to report to the Pension Fund.
Valuation of Complex Investments (Unquoted Investments)	<p>As a result of the impact of Covid-19 on investment valuations, we extended our procedures to cover all Level 3 investments. Custodian and Fund Managers provided estimated values for unquoted investments based on information up to 31 March 2020. As these investments did not reflect the impact of Covid-19, Management applied Covid-19 asset valuation adjustments based on investment type. These are disclosed in financial statements - Note 3q.</p> <p>Our analytical procedures using market trend data and the latest fund financial statements did not identify any material misstatements. Our reconciliation to revised fund manager Covid-19 adjusted valuations identified a £13.722 million understatement of investment values. The Pension Fund included additional disclosure in the financial statements to fully explain the estimation uncertainty concerning these investments.</p> <p>The Pension Fund did not adjust the financial statements for this difference.</p> <p>We have not identified any other matters to report to the Pension Fund.</p>
Triennial Valuation - formal valuation of the whole Fund carried out under the Local Government Pension Scheme Regulations 2013 to assess and examine the ongoing financial position of the Fund.	We did not identify any matters to report to the Pension Fund.
Going Concern Disclosures	The Pension Fund assessed the impact of Covid-19 on its contributions, benefits payable, cash and investment position into 2020/21 and 2021/22. The Pension Fund amended the Going Concern disclosure in the financial statements.

Financial Statement Audit – Pension Fund (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	<u>Council</u> We determined planning materiality to be £26.752 million, which is 1.8% of gross expenditure on the provision of Services. We consider gross expenditure on the provision of services to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.
	<u>Pension Fund</u> We determined planning materiality to be £36.2 million, which is 1% of net assets of the scheme available to fund pension benefits. We consider the net assets to be the appropriate basis for setting the materiality as they represent the best measure of the schemes' ability to meet obligations rising from pension liabilities.
Reporting threshold	We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1.337 million for the Council and £1.8 million for the Pension Fund.

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:

- ▶ Fire Pension Scheme - We have adopted a smaller materiality of 1.8% of benefits payable to reflect the differing nature of the pension fund. We have applied a materiality of £180,540 with a reporting threshold for audit differences of £9,027.
- ▶ Remuneration disclosures, related party transactions and councillor allowances - As these disclosures are considered to be of interest to users of the accounts we have adopted judgement in ensuring that we have tested the disclosures in sufficient detail to ensure they are correctly disclosed.

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.

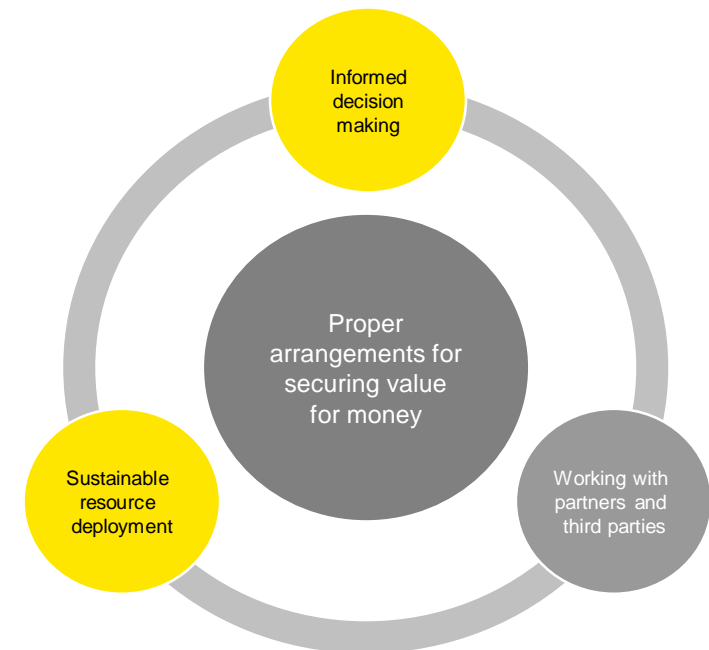
On 16 April 2020 the National Audit Office published an update to auditor guidance in relation to the 2019/20 Value for Money assessment in the light of Covid-19. This clarified that in undertaking the 2019/20 Value for Money assessment auditors should consider Local Authorities' response to Covid-19 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 one significant risk in relation to these arrangements in respect of the Council's financial resilience over the medium term and the impact on the level of General Fund Reserve balances at the 31 March 2020 and at the 31 March 2023. Whilst we acknowledge that as a result of the Covid-19 pandemic, the Council's plans have been paused, the risks in relation to the arrangements in place to secure sustainable resource deployment and make informed decision making remained relevant to the 2019/20 VFM conclusion.

We reported in detail as part of the Audit Results Report and do not repeat our findings here.

We 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, and working with partner and other third parties.

We therefore issued an unqualified value for money conclusion on the 30 November 2020.



A photograph of a business meeting in progress. Several people are seated around a dark wooden conference table, looking at documents. A woman with blonde hair is in the foreground, resting her chin on her hand and looking intently at the papers. Other participants are visible in the background, some standing and some seated. The scene is brightly lit, suggesting a modern office environment.

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. The work was delayed due to a national IT issue that HMT have resolved.

We performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission. We issued our assurance statement to the NAO on 17 February 2021 and had no matters to report.

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 matters to report.

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.

Objections Received

We did not receive any objections to the 2019/20 financial statements from members of the public. We did respond to a number of correspondence items from members of the public.

Other Powers and Duties

We did not identify any issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Other Reporting Issues (cont'd)

Independence

We communicated our assessment of independence in our respective Audit Results Reports to the Audit Committee on 15 October 2020. 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.

Our audit did not identify any controls issues to bring to the attention of the Council or the Audit Committee.

Section 6

Focused on your future



Focused on your future

The NAO has a new Code of Audit Practice for 2020/21. The impact on the Council is summarised in the table below.

Council responsibilities for value for money

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with the financial statements, the Council is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Auditor responsibilities under the new Code

Under the 2020 Code we are still required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. However, there is no longer overall evaluation criterion which we need to conclude on. Instead the 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified 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.

Continued

Focused on your future (cont'd)

Reporting on VFM

In addition to the commentary on arrangements, where we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the 2020 Code has the same requirement as the 2015 Code in that we should refer to this by exception in the audit report on the financial statements.

However, a new requirement under the 2020 Code is for us to include the commentary on arrangements in a new Auditor's Annual Report. The 2020 Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Council's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

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	<p>It was proposed that IFRS 16 (Leases) would be applicable for Local Authority accounts from the 2021/22 financial year, deferred a year due to the impact of Covid-19. Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for Local Authorities who lease a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet. However in response to the ongoing pandemic and its pressures on council finance teams, the CIPFA LASAAC Local Authority Accounting Code Board has announced that the implementation of IFRS 16 in the Code of Practice on Local Authority Accounting in the UK (the Code) will be deferred until the 2022/23 financial year. This decision brings the Code in line with the decision by the Government's Financial Reporting Advisory Board to put back the effective date for the implementation of the standard to 1 April 2022.</p> <p>CIPFA LASAAC has indicated that the deferral is limited to one year only and that there is no intention to grant any further extensions based on a lack of preparedness.</p> <p>The announcement is available on CIPFA's website.</p>	<p>There are transitional arrangements within the standard and It is assumed this will be reflected in the 2021/22 Accounting Code of Practice for Local Authorities when published. 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.</p> <p>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.</p>

A hand is holding a bright yellow rectangular box over a row of file folders. The folders are arranged in a row on a shelf, with several of them containing stacks of papers. The folders have colorful tabs in shades of blue, white, and yellow. The background is a light-colored wall with a subtle pattern.

Section 7

Audit Fees

Audit Fees - Council

In the Audit Results Report we indicated that we had carried out additional work as a result of the impact of Covid-19 that necessitated an additional audit fee. We have now quantified this fee. We have discussed the proposed additional fee with the Executive Director of Finance & Commercial Services after providing supporting details. We will now seek formal approval from PSAA.

Description	Final Fee 2019/20 £'s	Planned Fee 2019/20 £'s	Scale Fee 2019/20 £'s	Final Fee 2018/19 £'s
Council				
Total Audit Fee - Code work	98,361	98,361	98,361	102,100
Changes in work required to address professional and regulatory requirements and scope associated with risk	71,483	71,521		
Revised Proposed Scale Fee (see Note 1)	169,844	169,882	98,361	102,100
Additional work:				
• Assessment of Going Concern in light of Covid-19 including consultation process and documentation and the reassessment of materiality and identification of any further audit risks (including in relation to VFM)	7,760			
• Increased Property, Plant and Equipment and Investment Property procedures to consider, challenge and respond to the basis of the valuation, including the RICS material uncertainty clause, including the use of specialists from EY Real Estate	6,655			
• Pensions IAS19 - consideration and challenge of the assumptions used for the McCloud Remedy Consultation and the impact those assumptions had on the liability, including the use of specialists from EY Pensions	1,934			
• Audit procedures on corrections to the financial statements, this includes repeating procedures following receipt of collection fund returns from billing authorities.	1,088			
• Additional work concerning Dedicated School Grant negative balance - accounting, disclosure and VFM impact.	691			
• Responding to correspondence from members of the public.	1,584			
Total Audit Fee	189,556		98,361	102,100

Note 1 - For 2019/20, we have proposed an increase to the scale fee to reflect the increased level of audit work required which has been impacted by a range of factors, as detailed in our Audit Plan. Our proposed increase has been discussed with management and is with PSAA for determination.

Audit Fees – Pension Fund

Description	Final Fee 2019/20 £'s	Planned Fee 2019/20 £'s	Scale Fee 2019/20 £'s	Final Fee 2018/19 £'s
Pension Fund				
Total Audit Fee - Code work	20,866	20,866	20,866	20,866
Changes in work required to address professional and regulatory requirements and scope associated with risk	40,005	40,005		
Revised Proposed Scale Fee (see Note 1)	60,871	60,871	20,866	20,866
Additional work:				
• Assessment of Going Concern in light of Covid-19 including consultation process on work performed and impact on the audit report, documentation and the reassessment of materiality, and identification of any further audit risks	4,497			
• Additional work performed on level 3 investments to corroborate the estimated impact of Covid-19 applied by the Pension Fund. This includes a consultation process on work performed and impact on the audit report.	3,840			
• Work required to respond to IAS19 assurance requests from admitted bodies and their auditors. For 2019/20, this includes the additional procedures performed to test the data submitted for the fund's triennial valuation.	11,500			5,500
Total Audit Fee	80,708		20,866	26,366

Note 1 - For 2019/20, we have proposed an increase to the scale fee to reflect the increased level of audit work required which has been impacted by a range of factors, as detailed in our Audit Plan. Our proposed increase has been discussed with management and is with PSAA for determination.

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