



Private and Confidential 26 November 2021

Dear Audit and Risk Committee Members

We are pleased to attach our Audit Results Report for the forthcoming meeting of the Audit and Risk Committee. This report summarises our final audit conclusion in relation to the audit of Great Yarmouth Borough Council for 2019/20.

We have substantially completed our audit of Great Yarmouth Borough Council for the year ended 31 March 2020.

Subject to concluding the outstanding matters listed in our report, we confirm that we expect to issue an unqualified audit opinion on the financial statements. We also have no matters to report on your arrangements to secure economy, efficiency and effectiveness in your use of resources

This report is intended solely for the use of the Audit and Risk Committee, other members of the Authority, and senior management. It should not be used for any other purpose or given to any other party without obtaining our written consent.

We would like to thank your staff for their help during the engagement.

We welcome the opportunity to discuss the contents of this report with you at the Audit and Risk Committee meeting on 06 December 2021.

Yours faithfully

Debbie Hanson

Associate Partner

For and on behalf of Ernst & Young LLP

Encl

## **Contents**



Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk).

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

The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities / Terms and Conditions of Engagement. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact 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.





#### Scope update

In our Audit Planning Report presented to the 21 September 2020 Audit and Risk Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

Audit timeline: When we reported to the Committee in September 2020, we were expecting to complete the audit in December 2020. Unfortunately this was not possible due to delays in information being provided by the Council and the impact of the Covid-19 pandemic. On review of work a number of errors were identified which required additional work from both the finance and audit team to address and the production of amended accounts which corrected the errors. During this period, we have worked in collaboration with the Council's finance team to progress the audit but have needed significantly more time to complete the audit than we had envisaged. We would note that overall the level of error in the accounts is higher than we would expect. In addition, and possibly as a result of the protracted nature of the audit, the finance team and the Property Services team sometimes struggled to respond to our additional queries on a timely basis due to other priorities. We have referred to issues with capacity of the finance team in our previous audit results reports and this continues to be an issue which impacts on the completion of the audit. We acknowledge that we have also experienced some resourcing difficulties. We have taken this into account when estimating the additional fee we propose for completing the audit outlined in Section 09.

Materiality: In our Audit Planning Report, we communicated that our audit procedures would be performed using a materiality of £1.58 million for Group and £1.54 million for the Council, with performance materiality, at 50% of overall materiality, of £0.79 million for Group and £0.77 million for the Council, and a threshold for reporting misstatements of £0.079 million of the Group and £0.077 million for the Council. This has not changed from that communicated to you in our Audit Planning Report. We have used 50% of materiality due to the high levels of errors identified in previous years. We have considered whether any change to our materiality is required in light of Covid-19. Following this consideration we remain satisfied that the basis for planning materiality, performance materiality and our audit threshold for reporting differences previously reported to you remain appropriate. The basis of our assessment has remained consistent with prior years at 2% of gross operating expenditure.

**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 Authority's systems. We undertook the following to address this risk:

- 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.

Additional EY consultation requirements concerning the impact on auditor reports because of Covid-19: The changes to audit risks, audit approach and auditor reporting requirements changed the level of work we needed to perform. We have set out the impact on our audit fee on page 45.



#### Status of the audit

We have substantially completed our audit of Great Yarmouth Borough Council's financial statements for the year ended 31 March 2020 and have performed the procedures outlined in our Audit Planning Report. Subject to satisfactory completion of the following outstanding items we expect to issue an unqualified opinion on the Council's financial statements in the form which appears at Section 03. However until work is complete, further amendments may arise:

- review of the final version of the financial statements
- completion of going concern procedures
- completion of subsequent events review up to the date of our audit report
- receipt of the signed management representation letter
- Final Audit Manager and Associate Partner Review of the file, including work on provisions and financial instruments.

We expect to issue the audit certificate at the same time as the audit opinion.

#### Audit differences

We identified three unadjusted audit differences in the draft financial statements which management have chosen not to adjust. We ask that they be corrected or a rationale as to why they are not corrected be approved by the Audit and Risk Committee and included in the Letter of Representation. The aggregated impact of unadjusted audit differences is £0.935 million. £0.790 million would not have an impact on the general fund balance and £0.145 million that would impact the general fund balance. We agree with management's assessment that the impact is not material.

We have also identified audit differences with an aggregated impact on the balance sheet of of £0.573 million and material adjustments to the cash flow statement which have been adjusted by management. Details can be found in Section 04 Audit Differences.



#### Areas of audit focus

Our Audit Planning Report identified key areas of focus for our audit of Great Yarmouth Borough Council's financial statements This report sets out our observations and conclusions, including our views on areas which might be conservative, and where there is potential risk and exposure. We summarise our consideration of these matters, and any others identified, in the "Key Audit Issues" section of this report.

Risk Type	Description	Findings and conclusions
Fraud risk	Misstatements due to fraud or error	We have completed our work in this area with no matters to report
Fraud risk	Incorrect capitalisation of revenue expenditure	We have completed our work in this area with no matters to report
Significant risk	Investment property valuation	We have completed our work in this area with no matters to report
Higher inherent risk	Pension liability valuation	We have completed our work in this area which resulted in audit adjustments which are included in more detail in section 04
Higher inherent risk	Land and buildings valuation	We have completed our work in this area and have identified audit adjustments which are included in more detail in section 04.
Higher inherent risk	Group accounts preparation	We have completed our work in this area and have identified audit adjustments which are included in more detail in section 04.
Higher inherent risk	Debtors and creditors – accuracy of balances in the Balance Sheet	We have completed our work in this area and have identified audit adjustments which are included in more detail in section 04.
Higher inherent risk	Accuracy of the Council and Group cashflow statement	We have completed our work in this area and have identified audit adjustments which are included in more detail in section 04.
Higher inherent risk	Going concern assessment	We are still undertaking work in this area and will update you at the Audit and Risk Committee
Higher inherent risk	Covid-19 impacts	Within our Audit Plan, we noted those areas of the financial statements which we identified as being the main areas impacted by Covid-19. During our audit we remained alert to other risks which may emerge during the audit process. We have not identified any further risk areas.

# Executive Summary

#### Areas of audit focus - continued

We ask you to review these and any other matters in this report to ensure:

- ► There are no other considerations or matters that could have an impact on these issues
- ► You agree with the resolution of the issue
- ► There are no other significant issues to be considered.

There are no matters, apart from those reported by management or disclosed in this report, which we believe should be brought to the attention of the Audit and Risk Committee.

# Executive Summary

#### **Control observations**

We have adopted a fully substantive approach, so have not tested the operation of controls.

We have however noted a number of areas where controls related to the production of the financial statements could be improved. Further details are included in Section 07. Overall we identified a higher level of misstatements than we would expect. The areas identified include:

- Accuracy of the Council and Group cash flow statements, which was also identified in the prior year
- Debtors and creditors listings, which was also identified in the prior year
- Operating leases management identified that leases in the prior year had been incorrectly disclosed due to adjustments to leases not being applied. We undertook further work in this area and identified further adjustments were required due to the same issue. See section 07 for further information.

#### Value for money

We have considered your arrangements to take informed decisions; deploy resources in a sustainable manner; and work with partners and other third parties. In our Audit Planning Report we identified no significant risks.

We have no matters to report about your arrangements to secure economy efficiency and effectiveness in your use of resources.

#### Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of Great Yarmouth Borough Council. We have no matters to report as a result of this work.

We have performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission. We had no issues to report.

We have no other matters to report.

#### Independence

Please refer to Section 09 for our update on Independence.





# Significant risk

### Misstatements due to fraud or error

#### What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

#### What judgements are we focused on?

We focussed on testing key areas that are susceptible to management bias:

- Accounting estimates including the bad debt provision and business rates appeals provision (IP/PPE valuation and IAS 19 estimates are considered on the next slides)
- Manual journal entries
- Unusual transactions

#### What did we do?

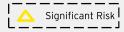
- Assessed fraud risks during the planning stages of our audit.
- Inquired of management about risks of fraud and the controls put in place to address those
- Understood the oversight given by those charged with governance of management's processes over fraud.
- Considered the effectiveness of management's controls designed to address the risk of fraud.
- Determined an appropriate strategy to address those identified risks of fraud.
- Performed mandatory procedures regardless of specifically identified fraud risks, including:
  - Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements
  - Assessed accounting estimates for evidence of management bias, and
  - Evaluated the business rationale for significant unusual transactions.

#### What are our conclusions?

We have not identified any material weaknesses in controls or evidence of material management override.

We have not identified any instances of inappropriate judgements being applied.

We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business





# Significant risk

Incorrect capitalisation of revenue expenditure

#### What is the risk?

In considering how the risk of management override may present itself, we conclude that this is primarily through management taking action to override controls and manipulate in year financial transactions that impact the medium to longer term financial position. A key way of improving the revenue position is through the inappropriate capitalisation of revenue expenditure.

The Council's revised capital programme for 2019/20 was £42 million and is therefore significant. Although we note from the 2020/21 budget report presented to full Council in February 2020 that the forecast spend was only £13 million, with the majority of the revised budget being rolled forward to 2020/21, the level of capital spend is still highly material. Therefore, we have identified this as a significant fraud risk.

We also consider this risk to manifest itself through inappropriate classification of expenditure as revenue expenditure funded from capital under statute (REFCUS). However as REFCUS in 2019/20 is only £1.1 million and therefore not material we have not identified this as an area of significant risk for 2019/20.

#### What judgements are we focused on?

We focussed on the testing capital expenditure and obtaining evidence that additions have been correctly classified as capital expenditure.

#### What did we do?

- > Sample tested additions to property, plant and equipment to ensure they have been correctly classified as capital and included at the correct value in order to identify any revenue items that have been inappropriately capitalised;
- We extended our testing of items capitalised in the year by lowering our testing threshold. We will also reviewed a larger random sample of capital additions below our testing threshold.
- As part of our journal testing strategy, we reviewed unusual journals related to capital expenditure posted around the year-end; for example where the debit is to capital expenditure and the credit to income and expenditure

#### What are our conclusions?

Our audit work did not identify any material issues or unusual transactions to indicate any misreporting of the Council's financial position through the inappropriate capitalisation of revenue expenditure.





# Significant risk

# Investment property valuation

#### What is the risk?

The Council's investment property totals £51.95 million as at 31 March 2020 (per the draft Financial Statements) which represents a significant balance in the Council's accounts and is subject to valuation changes, impairment reviews and depreciation charges. Material judgemental inputs and estimation techniques are required to calculate the year-end balances held in the balance sheet.

Covid-19 is expected to have an impact on valuation for properties measured at fair value (i.e. investment properties) since rental income may fall as tenants' potentially default on their rents and seek to negotiate rent reductions as they can no longer trade effectively.

There is a therefore a risk that investment property may be under/overstated or the associated accounting entries incorrectly posted.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of experts and assumptions underlying fair value estimates.

#### What judgements are we focused on?

We focused on aspects of the valuations which could have a material impact on the financial statements, primarily:

- any significant changes in the asset base;
- the assumptions and estimates used to calculate the valuation; and
- changes to the basis for valuing the assets.

#### What did we do?

- > Assessed the classification of the assets and whether the appropriate valuation basis has been applied.
- > Identified and obtained evidence to support any material increases or impairments that arose during the year.
- > Considered the work performed by the Council's external valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- > Engaged with our own experts to;
  - > Review the methodology and assumptions used by the valuer;
  - ightharpoonup Sample test key asset information used by the valuers in performing their valuation
  - > Investigate any significant variation.
- > Tested accounting entries, ensuring these have been correctly processed in the financial statements.
- As we have identified a higher degree of risk in relation to the valuation of investment property assets as at 31 March 2020, we also considered how the Council's valuer has addressed the impact of Covid-19 in the year-end valuation of this assets and their assessment of any impairment, and the adequacy of disclosures.



# Significant risk - Investment Property Valuation

#### What are our conclusions?

Our work on the valuation of investment property is complete.

As a result of RICS material uncertainty clauses included within the Councils valuation report, management have updated the estimation uncertainty disclosure to reflect the heightened uncertainty due to these clauses.

We employed our own expert to support the work in relation to the valuation of investment properties. Our work and the review by our own experts identified the following:

We did not identify any issues in regards to the assumptions and methodologies applied to the valuation of investment properties valued at fair value. We concluded that

- > Use of methodologies was in line with standard valuation practices;
- > Use of rates were supportable by evidence or market data; and
- > Inputs into the valuation calculation, such as land areas, rent passing and useful lives were appropriate.

For the 6 assets tested it was concluded that they were all within the range set by our internal specialist:

Investment Property	Management' estimate	Conclusion
Artemis House	£7,500,00	Fair value is considered supportable and within an expected range
Seashore Holiday centre and premises	£4,970,000	Fair value is considered supportable and toward the lower end of an expected range
Haliburton Yare Facility	£2,194,000	Fair value is considered supportable and within an expected range
Havenshore North	£1,900,000	Fair value is considered supportable and within an expected range
Sealife Centre & Gardens	2806,000	Fair value is considered supportable and within an expected range
Marina Shops 1-7	£343,000	Fair value is considered supportable and within an expected range



## Other Areas of Audit Focus

### Pension liability valuation

#### What is the risk?

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the pension fund administered by the Council. The Council's pension fund deficit is a material estimated balance disclosed on the Council's balance sheet. At 31 March 2020 this totalled £61.2 million. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the County Council.

In addition, every three years, a formal valuation of the whole fund is carried out in accordance with the LGPS Regulations 2013 to assess and examine the ongoing financial position of the fund. The IAS19 report for 2019/20 will reflect the updated membership numbers provided for this triennial valuation. We will therefore need to seek additional assurances from the Pension Fund auditor over this data.

Accounting for this scheme involves significant estimation and judgement, management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

#### What judgements are we focused on?

We focused on aspects of the pension liability, which could have a material impact on the financial statements, primarily:

- The reasonableness of the underlying assumptions used by the Authority's expert;
- Ensuring the information supplied to the actuary in relation to Great Yarmouth Borough Council was complete and accurate;
- Considering the reasonableness of any significant changes in assumptions made by the actuary;
- Considering the assessments of the actuary undertaken by PWC and the EY actuarial team.

#### What did we do?

- Liaised with the auditors of Norfolk Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Great Yarmouth Borough Council;
- Assessed the work of the Pension Fund actuary including the assumptions they have used by relying on the work of PWC Consulting Actuaries commissioned by The National Audit Office for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team;
- Assessed the results of the triennial valuation, including the assumptions used and the impact on the Council's pension liability;
- Engage early with the Council, and their actuary, to understand any ongoing impact of the McCloud judgement and any new rulings which may impact on the IAS19 liability; and
- Reviewed and tested the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.



## Other Areas of audit focus

### Pension liability valuation

#### What are our conclusions?

We have received reports from the Norfolk Pension Auditor and the EY actuarial team.

We have considered the updated IAS19 report and assessment obtained by the Council from the actuary and concluded that the impact of the change in asset values and the McCloud consultation are not individually material nor material in aggregate. The total impact being an overstatement of the pension liability of £0.665 million. The Council has adjusted the statement of accounts to reflect the updated IAS19 balances.

We have also considered the impact of the Goodwin ruling on the net liability position. Given the ruling took place after the accounting year end (30 June 2020) and the associated impact based on analysis (both internal and external) for typical LGPS employers is less than 0.1% of total liabilities, we concluded that this was not significant and therefore did note require revisions to accounting disclosures. We estimated a range of between £0.06 million to £0.122 million as the potential impact. Therefore the maximum overstatement would not be material. Management have therefore decided not to adjust. Further details can be found in Section 04 of this report.

The accounting entries and disclosures are in line with our expectations and the Code.



## Other Areas of Audit Focus

### Land and buildings valuation

#### What is the risk?

Land and buildings represent significant balances in the Council's accounts, totalling £304 million as at 31 March 2020. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. There is a risk fixed assets may be under/overstated or the associated accounting entries incorrectly posted.

The valuation of land and buildings at 31 March 2020 is also likely to be impacted by Covid-19, with valuers disclosing a material uncertainty in relation to their year end valuations. The Council will need to consider the impact of this material uncertainty on the land and building balances in their accounts as well as in relation to their disclosures relating to estimation uncertainty and key judgements.

#### What judgements are we focused on?

We focused on aspects of the valuations which could have a material impact on the financial statements, primarily:

- any significant changes in the asset base;
- the assumptions and estimates used to calculate the valuation; and
- changes to the basis for valuing the assets.

#### What did we do?

- > Evaluated the selection and application of accounting policies established to determine whether the accounting policies are being applied in an inappropriate manner;
- > Ensured the correct classification of the Council's land and buildings and that the appropriate valuation basis has therefore been adopted;
- > Considered the work performed by the Council's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work:
- > Sample tested key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- > Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme for property, plant and equipment as required by the Code. We will also consider if there are any specific changes to assets that have occurred and that these have been communicated to the valuer;
- > Reviewed assets not subject to valuation in 2019/20 to confirm that the remaining asset base is not materially misstated;
- > Considered changes to useful economic lives as a result of the most recent valuation; and
- > Tested accounting entries have been correctly processed in the financial statements.

We also considered how the Council's valuer has addressed the impact of Covid-19 on the year-end valuation of assets and assessment of impairments and whether these have been adequately disclosed in the accounts. We also engaged EY valuation specialists to undertake a review of the valuation of the development land at Beacon Park, as we identified this as an asset where the valuation was more complex.



## Other Areas of Audit Focus

#### What are our conclusions?

Our work on the valuation of land and buildings valued at fair value and existing use value is complete.

As a result of RICS material uncertainty clauses included within the Council's valuation report management have updated the estimation uncertainty disclosure to reflect the heightened uncertainty due to these clauses.

We employed our own expert to support the work in relation to the valuation of South Gorleston Development Land - Beacon Park. Our work and the review by our own experts identified the following:

- The development land is overstated by £0.668 million in the 31 March 2020 valuation and by £.0603 million in the 31 March 2019 valuation
- This was due to land that had been developed with an investment property not being excluded from the valuation included in other land and buildings. As this land is included within investment properties on the balance sheet this resulted in double counting of this land value.
- Management have decided not to adjust for this difference. More information is included within section 04

We did not identify any issues in regards to the assumptions and methodologies applied to the valuation of land and buildings assets valued at fair value and existing use value. We concluded that the:

- Use of methodologies was in line with standard valuation practices;
- Use of rates were supportable by evidence or market data;
- Inputs into the valuation calculation, such as land areas, rent passing and useful lives were appropriate; and
- > Our own valuation experts concluded that the updated valuation of South Gorleston Development Land (which has not been reflected in the financial statements as noted above) was supportable and with their calculated range, as noted below.

Land	Management's estimate	Conclusion
South Gorleston Development Land (Beacon Park)	£7,988,000 (original estimate)	Fair value of the revised estimate is considered supportable and within an
	£7,320,000 (revised estimate)	expected range



## Other Areas of Audit Focus

### **Group accounts** preparation

#### What is the risk?

The Council produced group accounts consolidating the wholly owned subsidiary, Equinox Enterprises Ltd, for the first time in 2018/19 as the subsidiary is material to the Financial Statements. Our audit work identified a number of misstatements and amendments were required to the group accounts. We therefore consider that there is a risk of misstatement in the 2019/20 accounts.

In addition, the Council has undertaken an assessment of it's investments in two limited companies with which it traded in 2019/20 (Great Yarmouth Borough Services and Great Yarmouth Norse) to establish whether it had control of the arrangements or exerted significant influence over these investees and concluded they are material for the Group in 2019/20. The Council needs to be able o evidence that its group boundary assessment considers all relevant investments demonstrate that the exclusion of any investments from the consolidation would not influence the decisions of the reader.

#### What judgements are we focused on?

The completeness of the components to be consolidated. The accuracy and completeness of consolidation adjustments including alignment of accounting policies.

#### What did we do?

- Considered the Council's assessment of how its investments companies should be reflected within its group financial statements and whether the Council's decision to exclude any of its investments could cumulatively or individually influence the decisions of readers:
- Considered group wide controls over the consolidation process;
- Determined the scope of our work on each component included in the Council's group accounts dependent on the relative size and risk of the component;
- Issued group audit instructions to each component we deem to be significant by size or risk and liaised with those auditors as appropriate;
- Determined the competence and independence of each component auditor we relied on;
- Determined our level of involvement in the work of each component auditor and the level of review of their working papers; and
- Assessed the completeness and accuracy of the consolidation workings and group disclosures.

#### What are our conclusions?

We have considered the Council's group assessment and agree with the assessment made. Our review of the component auditors work, competence and independence did not identify any issues.

Our testing of the completeness and accuracy of the consolidation workings and group disclosures identified misstatements that are included within section 4. Management have agreed to amend for these differences.



## Other Areas of Audit Focus

Debtors and creditors accuracy of balances

#### What is the risk?

Our audit testing in 2018/19 identified a number of errors in the accuracy of the debtors and creditors balances reported in the Financial Statements. Due to the delayed timing of the 2018/19 audit and the preparation of 2019/20 Financial Statements shortly after the 2018/19 audit was concluded there is a risk that a similar level and type of errors will arise again in 2019/20.

#### What judgements are we focused on?

The accuracy of the debtors and creditors balances.

#### What did we do?

- Reviewed the year end reconciliation of the debtors and creditors feeder systems to the General Ledger to ensure completeness of the balances:
- Sample tested the debtors and creditors balances at a lower testing threshold, to recognise the increased risk of material misstatement in the Balance Sheet; and
- Performed unrecorded liabilities testing to ensure all balances have been identified appropriately post year end and included in the 2019/20 Financial Statements.
- Reviewed any unusual items included in debtors and creditors, any manual adjustments outside the trial balance, historic balances that have not moved year on year and the accounting treatment of the Enterprise Zone.

#### What are our conclusions?

Our testing identified one historic debtor balance of £0.145 million that had not been removed which overstated the balance. This had been identified and reported in the prior year. Management have decided not to adjust for this difference. This is explained further in section 4.

Testing of the creditor balances has not identified any issues.



## Other Areas of Audit Focus

**Accuracy of the Council** and Group Cashflow **Statements** 

#### What is the risk?

Our audit work for the Council and Group Cashflow Statement identified a number of errors and inaccuracies which were reported in our 2018/19 Audit Results Report.

We encouraged the Council to use the CIPFA toolkit but this was not fully used in 2018/19.

There is a risk that similar errors will be present in the 2019/20 Cashflow Statements due to the delayed conclusion of the 2018/19 audit and timing of the draft 2019/20 Financial Statements production shortly after the conclusion of the 2018/19 audit.

#### What judgements are we focused on?

The accuracy of the Council and Group cashflow.

#### What did we do?

- Reviewed the entries disclosed in the draft 2019/20 Financial Statements for the Council and Group Cashflow Statements and associated notes against supporting working papers;
- Tested the correctness and completeness of intercompany consolidation adjustments in the group cashflow (e.g. financing for one entity if investing for the other)
- Tested to ensure consistency between the Council and Group Cashflow Statements and other entries in the draft 2019/20 Financial Statements, for example movement in balances between 2018/19 and 2019/20; and
- Ensure that the disclosures are in line with the Code requirements.

#### What are our conclusions?

Our testing of the Council and Group Cashflow Statement identified material adjustments in relation to the movement in creditors, purchase of property plant an equipment and investment property. Management have agreed to amend for these differences. This is explained further in section 4.





### Other areas of audit focus

We identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

Financial statement area	What we did	What we concluded
Going Concern assessment and disclosure  Covid-19 has created a number of financial pressures throughout Local Government and is creating financial stress. There is currently not a clear statement of financial support from MHCLG that covers all financial consequences of Covid-19.	Reviewed your going concern disclosures within the financial statements under IAS1, and associated financial viability disclosures within the Narrative Statement.	We are still concluding on this area and will update the Committee on the 6 <sup>th</sup> December.
CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 states that organisations that can only be discontinued under statutory prescription shall prepare their accounts on a going concern basis.  However, International Auditing Standard 570 Going Concern, as applied by Practice Note 10:	Considered whether these disclosures also include details of the process that has been undertaken for revising financial plans and cashflow, liquidity forecasts, known outcomes,	
Audit of financial statements of public sector bodies in the United Kingdom, still requires auditors to undertake sufficient and appropriate audit procedures to consider whether there is a material uncertainty on going concern that requires reporting by management within the financial statements, and within the auditor's report. We are obliged to report on such matters within the section of our audit report 'Conclusions relating to Going Concern'. This auditing standard has been revised in response to enforcement cases and well-publicised corporate	sensitivities, mitigating actions including but not restricted to the use of reserves, and key assumptions (e.g. assumed duration of Covid-19).	
failures where the auditor's report failed to highlight concerns about the prospects of entities which collapsed shortly after.		
To do this, the auditor must review management's assessment of the going concern basis applying IAS1 Presentation of Financial Statements. The auditor's report in respect of going concern covers a 12-month period from the date of the report, therefore the Council's assessment will also need to cover this period.		





Other areas of audit focus

Financial statement area	What we did	What we concluded
Impact of Covid-19	Within our Audit Plan, we noted those areas of the financial statements which we identified as being the main areas impacted by Covid-19. During our audit we remained alert to other risks which may emerge during the audit process.	We have not identified any further risk areas.





### Audit Report

## Draft audit report

Our draft opinion on the financial statements is included below.

#### Our opinion on the financial statements

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT YARMOIUTH BOROUGH COUNCIL

#### Opinion

We have audited the financial statements of Great Yarmouth Borough Council for the year ended 31 March 2020 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Authority and Group Movement in Reserves Statement,
- Authority and Group Comprehensive Income and Expenditure Statement,
- Authority and Group Balance Sheet,
- Authority and Group Cash Flow Statement and the related notes 1 to 37, the Expenditure and Funding Analysis on page 12 and notes to the Group Accounts 1 to 10.
- Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement and the related notes 1 to 12.
- Collection Fund and the related notes 1 to 4.

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 2019/20.

In our opinion the financial statements:

- give a true and fair view of the financial position of Great Yarmouth Borough Council as at 31 March 2020 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 2019/20.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Finance Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Finance Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the Statement of Accounts 2019/20, other than the financial statements and our auditor's report thereon. The Finance Director is responsible for the other information.



### **Audit Report**

#### Our opinion on the financial statements

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Local Audit and Accountability Act 2014

Arrangements to secure economy, efficiency and effectiveness in the use of resources

In our opinion, based on the work undertaken in the course of the audit, having regard to the guidance issued by the Comptroller and Auditor General (C&AG) in April 2020, we are satisfied that, in all significant respects, Great Yarmouth Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

#### 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

#### Responsibility of the Finance Director

As explained more fully in the Statement of Responsibilities set out on page 10, the Finance Director 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 2019/20, and for being satisfied that they give a true and fair view.

In preparing the financial statements, the Finance Director is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to cease operations, or have no realistic alternative but to do so.

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.



## **Audit Report**

#### Our opinion on the financial statements

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

## 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 April 2020, as to whether the Great Yarmouth 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 the Great Yarmouth Borough Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

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, the Great Yarmouth Borough Council had put in place proper arrangements to secure economy,

efficiency and effectiveness in its use of resources.

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.

#### Certificate

We certify that we have completed the audit of the accounts of Great Yarmouth 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.

#### Use of our report

This report is made solely to the members of Great Yarmouth 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 the Great Yarmouth Borough Council and the Great Yarmouth Borough Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

Debbie Hanson (Key Audit Partner) Ernst & Young LLP (Local Auditor) Luton





### Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as "known" or "judgemental". Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

#### Summary of adjusted differences

We highlight the following misstatements greater than £0.077 million which have been corrected by management that were identified during the course of our audit:

#### **Balance Sheet adjustments**

- £0.665 million overstatement of Pension Fund Liabilities due to an updated IAS 19 report being received (£0.343 million overstatement of pension fund liabilities) from the pension fund and the impact of the McCloud ruling (£0.322 million overstatement of pension fund liabilities)
- £0.091 million overstatement of other land and buildings in property, plant and machinery due to incomplete write out of the Marina Theatre on its disposal

#### Cashflow statement adjustments and related disclosures

We identified inconsistencies between the Council's working paper and the draft Statement of Accounts and this has lead to the following adjustments:

- £3.452 million adjustment to movement in creditors (operating cashflows)
- £3.457 million adjustment to purchase of property, plant and equipment and investment property (investing cashflows)
- £0.059 million net impact of cash receipts and repayment of borrowing in year (financing cashflows)
- £0.145 million cashflow adjustment for the pension fund adjustment for the McCloud ruling (operational cashflow)

#### **Group Accounts**

Remeasurement of defined benefit pension asset of £12,765 million had not been included in the group CIES. A nil balance had been included within the draft statement of accounts



## Audit Differences

#### Summary of adjusted differences - continued

#### Disclosures

We also identified a number of errors in disclosures which management have amended

Operating leases (Note 30) - the Council identified that operating leases had been incorrectly disclosed in the prior year due to incorrect accounting for break clauses, the use of incorrect information and incorrect application of reductions when the bandings were calculated. This impacted the figures included in the bands up to 1 year, between 2 and 5 years and over 5 years and has lead to a prior year adjustment. We undertook additional work on the other unamended leases to ensure that the final adjusted figures were materially complete and accurate. We identified a further error which impacted the current year. The table below shows the final impact of all adjustments:

Band - leases expiring	2018/19 £'000s (over)/ understated	2019/20 £'000s (over)/ understated	
Within 1 year	-132	-6	
2-5 years	-990	247	
Over 5 years	26,207	26,582	

Officer's remuneration (Note 32) - the draft statement of accounts omitted a strategic director from the note. The associated remuneration figures (Salaries & Fees £20,548, Expenses £481 and Employer Pension Contribution £3,185) have been included in the revised accounts.

Estimation Uncertainty note (Note 3) - As a result of RICS material uncertainty clauses included within the valuation reports, management have updated the estimation uncertainty disclosure to reflect the heightened uncertainty due to these clauses.

We have identified other disclosure adjustment but do not consider these warrant being brought to your attention.



## Audit Differences

#### Summary of unadjusted differences

In addition we highlight the following misstatements to the financial statements and/or disclosures which were not corrected by management. We request that these uncorrected misstatements be corrected or a rationale as to why they are not corrected be considered and approved by the Civic Affairs Committee and provided within the Letter of Representation:

Uncorrected misstatements Council and Group 31 March 2020	Effect on the current period:	8		(Dec	Balance Sheet rease)/Increase
	Comprehensive income and expenditure statement Debit/(Credit)	Assets current Debit/ (Credit)	Assets non current Debit/ (Credit)	current Debit/	Liabilities non- current Debit/ (Credit)
Factual:	2'000	£'000		€′000	٤′٥٥٥
Write off unsupported debtor re Heritage Funding	145	(145)	-	-	-
Overstatement of Beacon Park valuation	668		(668)		
Projected:					-
Pensions - Goodwin ruling	122				(122)
Total uncorrected audit differences	935	(145)	(668)		(122)

Management have determined not to amend the statements for these audit differences as they are individually and cumulatively immaterial.

#### Uncorrected misstatements in the statement of cash flows

We have not identified any audit differences in respect of the cash flow statements which management have not agreed to correct.

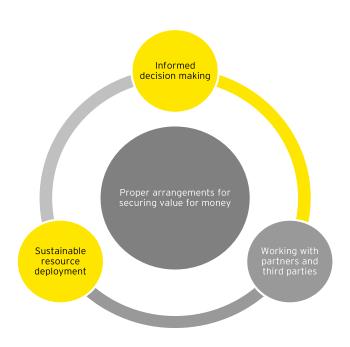
#### Uncorrected disclosure misstatements

We have not identified any audit differences in respect of required disclosures which management have not agreed to correct.



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## Value for Money



#### Background

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.

For 2019/20 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

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.

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

#### Impact of covid-19 on our Value for Money assessment

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.

#### **Overall conclusion**

We did not identify any significant risks around these criteria or the impact of Covid-19.

We therefore expect having no matters to report about your arrangements to secure economy, efficiency and effectiveness in your use of resources.





# Other reporting issues

#### Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Statement of Accounts 2019/2020 with the audited financial statements

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the Statement of Accounts 2019/2020 and published with the financial statements is consistent with the audited financial statements.

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

#### **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, is specified by the National Audit Office.

As the Council falls below the £500 million threshold for review as per the NAO's group instructions, we are not reporting any matters

# **Other reporting issues**

# Other reporting issues

#### Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We did not identify any issues which required us to issue a report in the public interest.

We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We did not identify any issues.

#### Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Council's financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Findings and issues around the opening balance on initial audits (if applicable);
- Related parties;
- External confirmations;
- Going concern;
- · Consideration of laws and regulations; and
- Group audits

We identified a high level of errors, delays and capacity issues during the audit which are considered further in section 07.

We have no other significant matters to report in relation to the above.





## Assessment of Control Environment

#### Financial controls

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 Authority has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls.

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.

We wish to highlight the following:

The Council identified that operating lease disclosures in the prior year were materially incorrect as leases had changed and these changes were not incorporated in prior year. The error identified was isolated and related solely to the disclosure of the bandings of the leased asset rental receivable table in the notes to the financial statements. The issue arose due to incorrect accounting for break clauses, the use of incorrect information and incorrect application of reductions when the bandings were calculated. We undertook further work in this area and identified further material errors (see section 04 for more information). We would recommend the Council incorporates more robust procedures within the accounts department to identify changes in leases prospectively so these can be included within the statement of accounts appropriately.

Follow up on recommendations made in previous years:

- Debtors and creditors we have seen an improvement overall as we have identified a limited number of errors in relation to these areas. However the audit of these areas has taken a significant amount of time as the listings were not ready at the start of the audit and it took some time for all responses to be provided, which resulted in different auditors picking up the work causing inefficiencies and delays. The Council should revisit again the closedown process in these areas to ensure that this part of the audit can be completed more efficiently and effectively future years.
- Cashflow statement We identified material audit differences in the single entity cash flow statement and saw no improvement from the prior year, when similar issues were raised. The Council should ensure a thorough review of the cashflow statement is undertaken and this should be built into the closedown process.
- Again we identified a higher level of misstatements than we would expect and recommend the Council considers whether it had appropriate quality assurance arrangements and capacity in place in relation to the preparation of the financial statements.





# Use of Data Analytics in the Audit

## Data analytics

**Analytics Driven Audit** 

### **Data analytics**

We used our data analysers to enable us to capture entire populations of your financial data. These analysers:

- Help identify specific exceptions and anomalies which can then be the focus of our substantive audit tests: and
- Give greater likelihood of identifying errors than traditional, random sampling techniques.

In 2019/20, our use of these analysers in the Council's audit included testing journal entries to identify and focus our testing on those entries we deem to have the highest inherent risk to the audit.

We capture the data through our formal data requests and the data transfer takes place on a secured EY website. These are in line with our EY data protection policies which are designed to protect the confidentiality, integrity and availability of business and personal information.

### Journal entry analysis

We obtain downloads of all financial ledger transactions posted in the year. We perform completeness analysis over the data, reconciling the sum of transactions to the movement in the trial balances and financial statements to ensure we have captured all data. Our analysers then review and sort transactions, allowing us to more effectively identify and test journals that we consider to be higher risk, as identified in our audit planning report.

### Payroll analysis

We also use our analysers in our payroll testing. We obtain all payroll transactions posted in the year from the payroll system and perform completeness analysis over the data, including reconciling the total amount to the General Ledger trial balance. We then analyse the data against a number of specifically designed procedures. These include analysis of payroll costs by month to identify any variances from established expectations, as well as more detailed transactional interrogation.







### Confirmation and analysis of Audit fees

We confirm there are no changes in our assessment of independence since our confirmation in our Audit Planning Report dated 21 September 2020.

We complied with the APB Ethical Standards. 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 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 and your Audit and Risk Committee 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 Audit and Risk Committee on O6 December 2021.

We confirm we have undertaken non-audit work outside of theStatement of responsibilities of auditors and audited bodies as issued by the Public Sector Audit Appointments Ltd OR our external audit engagement letter. We have adopted the necessary safeguards in our completion of this work.

**Note 1:** For 2018/19 we proposed an additional fee of £38,689, relating to additional work we had to undertake. This has been approved by PSAA.

Note 2: Our 2019/20 fees set out here include the scale fee review which is currently underway with PSAA to agree whether the scale fees for Local Government need to be rebased to account for the increased audit and quality requirements as well as increased regulatory challenge on the depth and quality of assurance provided by audit suppliers. This also incorporates changes to scope related to the production of group accounts, and weakness in the accounts preparation processes which result in the lowering of our performance materiality to 50%.

Note 3: As a result of Covid-19 we identified increased risk and work required in relation to the increased risk related to valuations of other land and buildings and investment property, as well as the work to address the material uncertainty in the valuer's report relating to the valuation of land and buildings where we engaged with our internal specialist to undertake work, and additional work on the Council's going concern disclosures. Additional time was also required for internal consultation processes in relation to the prior year adjustment for operating leases. In addition, there were significant delays in the provision of information to support the audit as well a large number of adjustments which have resulted in additional audit time. We expect this to be between £25,000 to £35,000.

As part of our reporting on our independence, we set out below a summary of the fees you have paid us in the year ended 31 March 2020.

We confirm that we have undertaken non-audit work for the year ended 31 March 2020 in relation to the Certification of the Housing Benefit Claim

Non-audit work is work not carried out under the Code. We have adopted the necessary safeguards in completing this work and complied with Auditor Guidance Note 1 issued by the NAO in December 2017.

Description	Final Fee 2019/20 £	Planned Fee 2019/20 £	Final Fee 2018/19 £
Total Audit Fee - Code work	46,966	46,966	46,966
Changes in work required to address professional and regulatory requirements and scope associated with risk (Note 2)	49,960	49.960	
Additional work required due to changes in scope and as a result of Covid-19 and delays in the completion of the audit	25,000 to 35,000 (Note 3)	NA	38,689
Total Audit Fees	121,926 to £131,926	96,926	85,655
Other non - audit services: Housing Benefits certification	15,250	20,750	20,750
Total non-audit services	15,250	20,750	20,750



# Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your Authority, senior management and its affiliates, including all services provided by us and our network to your Authority, senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2019 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

## New UK Independence Standards

The Financial Reporting Council (FRC) published the Revised Ethical Standard 2019 in December and it will apply to accounting periods starting on or after 15 March 2020. A key change in the new Ethical Standard will be a general prohibition on the provision of non-audit services by the auditor (and its network) which will apply to UK Public Interest Entities (PIEs). A narrow list of permitted services will continue to be allowed.

### Summary of key changes

- Extraterritorial application of the FRC Ethical Standard to UK PIE and its worldwide affiliates
- A general prohibition on the provision of non-audit services by the auditor (or its network) to a UK PIE, its UK parent and worldwide subsidiaries
- A narrow list of permitted services where closely related to the audit and/or required by law or regulation
- Absolute prohibition on the following relationships applicable to UK PIE and its affiliates including material significant investees/investors:
  - Tax advocacy services
  - Remuneration advisory services
  - Internal audit services
  - Secondment/loan staff arrangements
- An absolute prohibition on contingent fees.
- Requirement to meet the higher standard for business relationships i.e. business relationships between the audit firm and the audit client will only be permitted if it is inconsequential.
- Permitted services required by law or regulation will not be subject to the 70% fee cap.
- Grandfathering will apply for otherwise prohibited non-audit services that are open at 15 March 2020 such that the engagement may continue until completed in accordance with the original engagement terms.
- A requirement for the auditor to notify the Audit and Risk Committee where the audit fee might compromise perceived independence and the appropriate safeguards.
- A requirement to report to the Audit and Risk Committee details of any breaches of the Ethical Standard and any actions taken by the firm to address any threats to independence. A requirement for non-network component firm whose work is used in the group audit engagement to comply with the same independence standard as the group auditor. Our current understanding is that the requirement to follow UK independence rules is limited to the component firm issuing the audit report and not to its network. This is subject to clarification with the FRC.



## Other communications

### EY Transparency Report 2019

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2021:

EY UK Transparency Report 2021 | EY UK





## Appendix A

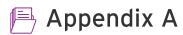
# Required communications with the Audit and Risk Committee

There are certain communications that we must provide to the Audit and Risk Committees of UK clients. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the Audit and Risk Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit planning report 21 September 2020
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Audit planning report 21 September 2020
Significant findings from the audit	<ul> <li>Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>Significant difficulties, if any, encountered during the audit</li> <li>Significant matters, if any, arising from the audit that were discussed with management</li> <li>Written representations that we are seeking</li> <li>Expected modifications to the audit report</li> <li>Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	Audit results report 25 November 2021



		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:  ► 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	Audit results report 25 November 2021
Misstatements	<ul> <li>Uncorrected misstatements and their effect on our audit opinion</li> <li>The effect of uncorrected misstatements related to prior periods</li> <li>A request that any uncorrected misstatement be corrected</li> <li>Material misstatements corrected by management</li> </ul>	Audit results report 25 November 2021
Subsequent events	► Enquiry of the Audit and Risk Committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements.	Audit results report 25 November 2021
Fraud	<ul> <li>Enquiries of the Audit and Risk Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the Authority</li> <li>Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>Unless all of those charged with governance are involved in managing the Authority, any identified or suspected fraud involving:         <ul> <li>a. Management;</li> <li>b. Employees who have significant roles in internal control; or</li> <li>c. Others where the fraud results in a material misstatement in the financial statements.</li> </ul> </li> <li>The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected</li> <li>Any other matters related to fraud, relevant to Audit and Risk Committee responsibility.</li> </ul>	Audit results report 25 November 2021



		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	Significant matters arising during the audit in connection with the Authority's related parties including, when applicable:  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 Authority	Audit results report 25 November 2021
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.  Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:  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  Communications whenever significant judgments are made about threats to objectivity and independence and the appropriateness of safeguards put in place.	Audit planning report 21 September 2020 and Audit results report 25 November 2021



		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	<ul> <li>Management's refusal for us to request confirmations</li> <li>Inability to obtain relevant and reliable audit evidence from other procedures.</li> </ul>	We have received all requested confirmations
Consideration of laws and regulations	<ul> <li>Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur</li> <li>Enquiry of the Audit and Risk 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 and Risk Committee may be aware of</li> </ul>	We have asked management and those charged with governance. We have not identified any material instances or non- compliance with laws and regulations
Significant deficiencies in internal controls identified during the audit	► Significant deficiencies in internal controls identified during the audit.	Audit results report 25 November 2021



		Our Reporting to you
Required communications	What is reported?	When and where
Group Audits	<ul> <li>An overview of the type of work to be performed on the financial information of the components</li> <li>An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components</li> <li>Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work</li> <li>Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted</li> <li>Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements.</li> </ul>	Audit planning report 21 September 2020 Audit results report 25 November 2021
Written representations we are requesting from management and/or those charged with governance	► Written representations we are requesting from management and/or those charged with governance	Audit results report 25 November 2021
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	► Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report 25 November 2021
Auditors report	► Any circumstances identified that affect the form and content of our auditor's report	Audit results report 25 November 2021
Fee Reporting	<ul> <li>Breakdown of fee information when the audit planning report is agreed</li> <li>Breakdown of fee information at the completion of the audit</li> <li>Any non-audit work</li> </ul>	Audit planning report 21 September 2020 Audit results report 25 November 2021
Certification work	► Summary of certification work	Audit results report 25 November 2021



# Appendix B

# 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
Final review of the Statement of accounts	Incorporation of EY adjustments review comments on disclosure notes	EY and management
Management representation letter	Receipt of signed management representation letter	Management and Audit and Risk Committee
Going concern	Completion of EY audit work over the going concern assessment and associated disclosures	EY and Management
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY and management
Final Audit Manager and Associate Partner Review of the file	Audit Manager and Associate Partner to complete their final reviews of the audit	EY



# Management representation letter

Please note that the representation letter below is a draft version and could be subject to change.

### Management Rep Letter

[To be prepared on the entity's letterhead]
[Date]

Ernst & Young

400 Capability Green Luton Bedfordshire LU1 3LU

This letter of representations is provided in connection with your audit of the consolidated and council financial statements of Great Yarmouth Borough Council ("the Group and Council") for the year ended 31 March 2020. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and Council financial statements give a true and fair view of the Group and Council financial position of Great Yarmouth Borough Council as of 31 March 2021 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the Group Council, CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

We understand that the purpose of your audit of our consolidated and Council financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

#### A. Financial Statements and Financial Records

We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Group] and [Council] [the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

We acknowledge, as members of management of the Group and Council, our responsibility for the fair presentation of the consolidated and council financial statements. We believe the consolidated and Council financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group] and Council, the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20and are free of material misstatements, including omissions. We have approved the consolidated and council financial statements.

The significant accounting policies adopted in the preparation of the Group and Council financial statements are appropriately described in the Group and Council financial statements.

As members of management of the Group and Council, we believe that the Group and Council have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 for the Group and the Council that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls.



# Management representation letter

### **Management Rep Letter - Continued**

We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated and Council financial statements taken as a whole. We have not corrected these differences identified and brought to our attention by the auditor because [specify reasons for not correcting misstatement]. OR we do not agree that items [specify items in question] constitute differences because [specify reasons for disagreement].

### B. Non-compliance with law and regulations, including fraud

We acknowledge that we are responsible for determining that the Group and Council's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.

We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.

We have disclosed to you the results of our assessment of the risk that the consolidated and Council financial statements may be materially misstated as a result of fraud.

We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Group or Council (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:

- involving financial statements;
- related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated or [Council]'s financial statements:

related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which

- may be fundamental to the operations of the Group or Council's activities, its ability to continue to operate, or to avoid material penalties;
- involving management, or employees who have significant roles in internal controls, or others; or
- in relation to any allegations of fraud, suspected fraud or other noncompliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

#### C. Information Provided and Completeness of Information and Transactions

We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the consolidated and Council financial statements, including those related to the COVID-19 pandemic.

We have made available to you all minutes of the meetings of the Group, and committees; Council, Policy and Resources Committee and Audit and Risk committee, (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 02 November 2021



# Management representation letter

### **Management Rep Letter - Continued**

We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and Council's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the consolidated and Council financial statements.

We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable

We have disclosed to you, and the Group and Council has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and Council financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

From the date of our last management representation letter of 12 August 2020, through the date of this letter we have disclosed to you any unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate.

#### D. Liabilities and Contingencies

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated and [council] financial statements.

We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent.

#### F. Subsequent Events

Other than described in Note 7 to the consolidated and Council financial statements, there have been no events, including events related to the COVID-19 pandemic, subsequent to year end which require adjustment of or disclosure in the consolidated and council financial statements or notes thereto.

#### G. Group Audits

There are no significant restrictions on our ability to distribute the retained profits of the Group because of statutory, contractual, exchange control or other restrictions other than those indicated in the Group financial statements.

Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst Council, subsidiary undertakings and associated undertakings.

#### H. Other information

We acknowledge our responsibility for the preparation of the other information. The other information comprises Narrative Report and Annual Governance Statement.

We confirm that the content contained within the other information is consistent with the financial statements.



# Management representation letter

### Management Rep Letter - Continued

#### I. Contingent Liabilities

We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated and council financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the consolidated and council financial statements).

We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, except for matters of routine, normal, recurring nature, none of which involves any allegations of noncompliance with laws or regulations that should be considered for disclosure in the consolidated and council financial statements or as a basis for recording a loss contingency.

#### J. Retirement Benefits

On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

#### K. Ownership of Assets

Except for assets capitalised under finance leases, the Council has satisfactory title to all assets appearing in the balance sheets, and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collateral. All assets to which the Council has satisfactory title appear in the balance sheets.

We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.

There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

#### L. Use of the Work of a Specialist

We agree with the findings of the specialists that we engaged to evaluate the valuation of Property, Plant and Equipment (PPE) and Investment Property (IP) and the IAS19 actuarial valuations of pension fund liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

#### M. Estimates (Pension Liability and PPE and IP Valuations)

We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimates have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

We confirm that the significant assumptions used in making the estimates for PPE, Investment Properties and Pensions Liability appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.

We confirm that the disclosures made in the financial statements with respect to the accounting estimate(s) are complete and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.



# Management representation letter

### Management Rep Letter - Continued

We confirm that no adjustments are required to the accounting estimate(s	)
and disclosures in the financial statements due to subsequent events.	

#### N. Reserves

Yours faithfully,

We have	properly red	corded or	disclos	ed in t	he co	onsolidated	and	council
financial	statements	the useak	ole and	unusa	ble r	eserves.		

Karen Sly, Finance Direct	or and Section	151	Office

Cllr Emma Flaxman-Taylor, Chair of Audit and Risk Committee



# Accounting and regulatory update

## Future accounting developments

Since the date of our last report to the Audit and Risk Committee, there have been a number of exposure drafts, discussion papers and other projects issues. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Name	Summary of key measures	Impact on Great Yarmouth Borough Council
IFRS 16	The adoption of IFRS 16 by CIPFA/LASAAC as the basis for preparation of Local Authority Financial Statements has been deferred until 1 April 2022. The Authority will therefore no longer be required to undertake an impact assessment, and disclosure of the impact of the standard in the financial statements does not now need to be financially quantified in 2019/20.	IFRS 16 - leases introduces a number of significant changes which go beyond accounting technicalities. For example, the changes have the potential to impact on procurement processes as more information becomes available on the real cost of leases.
		The key accounting impact is that assets and liabilities in relation to significant lease arrangements previously accounted for as operating leases will need to be recognised on the balance sheet.
		In particular, full compliance with the revised standard for 2022/23 is likely to require a detailed review of existing lease and other contract documentation prior to 1 April 2022 in order to identify:
		<ul> <li>all leases which need to be accounted for</li> </ul>
		the costs and lease term which apply to the lease
		the value of the asset and liability to be recognised as at 1 April 2022 where a lease has previously been accounted for as an operating lease.
		We will discuss progress made in preparing for the implementation of IFRS 16 - leases with the finance team over the course of our 2020/21 audit.



## Regulatory update

Since the date of our last report to the Audit and Risk Committee, there have been a number of regulatory developments. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Name	Summary of key measures	Impact on Great Yarmouth Borough Council
Code of Audit Practice 2020	► The updated Code of Audit Practice issued by the National Audit Office has introduced some significant changes to the requirements regarding auditors' work on the value for money conclusion, which will be applicable from 2020/21.	<ul> <li>The NAO are currently updating the Auditor Guidance Notes which will set out how the new Code of Audit Practice should be applied when carrying out value for money work. As such, the impact remains to be confirmed.</li> <li>Further updates will be provided when possible.</li> </ul>
Going Concern - ISA (UK) 570 (Revised September 2019)	<ul> <li>The standard is effective for audits of financial statements for periods commencing on or after 15 December 2019.</li> <li>This auditing standard has been revised in response to enforcement cases and well-publicised corporate failures where the auditor's report failed to highlight concerns about the prospects of entities which collapsed shortly after.</li> </ul>	<ul> <li>Practice Note 10, which sets out how the auditing standards are applied in a public sector context, is currently being revised, including in light of the updated standard for Going Concern. As such, the impact is not clear at this stage.</li> <li>Further updates will be provided when possible.</li> </ul>
Independence	The Financial Reporting Council (FRC) published the Revised Ethical Standard 2019 in December and will be effective from 15 March 2020. A key change in the new Ethical Standard will be a general prohibition on the provision of non-audit services by the auditor (and its network) which will apply to companies that are UK Public Interest Entities (PIEs). This prohibition will also extend to any UK parent and apply to all worldwide subsidiaries. A narrow list of permitted services will continue to be allowed.	▶ We will continue to monitor and assess all ongoing and proposed non-audit services and relationships to ensure they are permitted under the FRC Revised Ethical Standard 2019 which will be effective from 15 March 2020. Non-audit services which are in progress as at 15 March 2020 and are permitted under the existing ethical standard will be allowed to continue under the existing engagement terms until completed. We will work with you to ensure orderly completion of the services or where required, transition to another service provider within mutually agreed timescales.

### EY | Assurance | Tax | Transactions | Advisory

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ED None

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