

Audited body: Epsom and Ewell Borough

Year ended: 2025/26

Enquiries of management and others

Questions

Meeting notes (PY response management to update for 25/26)

Audit team to complete

Audit team to complete

General inquiries			
1. What do you regard as the key events or issues that will have a significant impact on the financial statements for 2025/26?	<p>Changes in economic/social activity following the 'cost of living' crisis – with elevated inflation, energy costs and interest rates – have all continued to place pressure on services, notably homelessness, planning and car parking. Budget monitoring during 2025/26 highlighted an adverse variance of £1.175m within the homelessness service which is being addressed in 2026/27 by an injection of an additional £750k budget for nightly paid accommodation and additional staff to mitigate the demand for temporary accommodation.</p> <p>Elevated interest rates can also cause significant asset valuation movements on the Council's Balance Sheet. For example, valuations of property and the pension liability are all heavily impacted by economic conditions. Interest rates remained high relative to previous years, resulting in higher than expected interest income.</p> <p>These impacts have been quantified by independent actuarial and property valuation reports and will be factored into the 2025/26 financial statements accordingly.</p>		Respond to Risks - > LT Borrowings/ Going concern consideration/ Group audit risk assessment and planning
2. Have you considered the appropriateness of the accounting policies adopted by Epsom and Ewell Borough Council?  Have there been any events or transactions that may cause you to change or adopt new accounting policies? If so, what are they?	<p>Management considers that the accounting policies recommended by CIPFA's Code of Practice remain appropriate for EEBC for 2025/26.</p> <p>There have been no events or transactions that cause a change or new accounting policies.</p> <p>For 2025/26 the Council will implement indexation for properties not revalued at the balance sheet</p>		

	date, in line with the new Accounting Code requirement.		
3. Is there any use of financial instruments, including derivatives? If so, please explain	The Council does not use derivatives. Financial instruments used by the Council are unchanged in nature from those reported in the 2024/25 Statement of Accounts (Note 18).		
4. Are you aware of any significant transaction outside the normal course of business? If so, what are they?	All transactions have been undertaken as part of the normal course of business.		See our assessment on question 1 above
5. Are you aware of any changes in circumstances that would lead to impairment of non-current assets? If so, what are they?	Not at the current time. Our external valuers assess all investment properties, and other non-current assets due for re-valuation, including associated property leases. The external valuers also provide a market commentary report, which is used by accountants to determine whether any other assets need to be impaired or revalued.		
6. Are you aware of any guarantee contracts? If so, please provide further details	Management is not aware of any guarantee contracts.		Group audit risk assessment and planning
7. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements? If so, please provide further details	<p>The Council continues to support an ongoing Health &amp; Safety Executive investigation following an incident in December 2021 involving a waste collection vehicle. The Council has increased the provision set aside in 2023/24's by £250k to £500k to reflect the risk that a financial liability may arise.</p> <p>The council added a new provision of £163k to the 2024/25 accounts relating to the misclassification of providers for housing benefit, resulting in the Council claiming too much housing benefit. This was an administrative error, resulting from a misclassification of Community Interest Companies and Charities (for which the Council has to fund a top up to Housing Benefit) as providers of social housing (for whom the DWP compensates the council for the full housing benefit claim). This issue remains with the DWP for review.</p>		

8. Other than in house solicitors, can you provide details of those solicitors utilised by Epsom and Ewell Borough during the year. Please indicate where they are working on open litigation or contingencies from prior years?	The Council has provided the external auditor with a list of solicitors used during the 2025/26 financial year.		Litigation and claims
9. Have any of the Epsom and Ewell Borough's service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements? If so, please provide further details	No such reports have been received.		
10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?	<p>The Council subscribes to CIPFA's Better Governance Forum to receive regular bulletin/sector updates, but we didn't need to consult them on anything specific in the year. The Council is also a member of the National Anti Fraud Network; the Network identifies and shares potential frauds from across the sector, including around Covid related business grants, for the Council to be aware of.</p> <p>The Council also uses advisors for any service specific matters requiring independent specialist advice that is not available inhouse, a list of advisors has been provided to the external auditors.</p>		Management's experts
11. Have you considered and identified assets for which expected credit loss provisions may be required under IFRS 9, such as debtors (including loans) and investments? If so, please provide further details	The Council reviews at year-end all its assets, including debtor balances, loans and investments, for any indication of credit losses. At the current time, no material credit losses are expected. Should any arise, however, these would be recognised in the financial statements in accordance with IFRS9 and proper accounting practice.		Refer to Bad debt provision
<b>Fraud inquiries</b>			
12. Has Epsom and Ewell Borough assessed the risk of material misstatement in the financial statements due to fraud?	<p>The Council has assessed the risk of material misstatement in the financial statements due to fraud as part of its overall risk management and internal control framework. This includes:</p> <ul style="list-style-type: none"> <li>• A risk-based approach to financial reporting, incorporating fraud risk</li> </ul>		Litigation and claims / Planning Inquiries

<p>How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process?</p> <p>How do the Epsom and Ewell Borough's risk management processes link to financial reporting?</p>	<p>considerations within internal audit planning and corporate risk registers.</p> <ul style="list-style-type: none"> <li>• Oversight from the Audit Committee and Senior Leadership Team (SLT), ensuring fraud risks are identified and mitigated.</li> <li>• Specific focus on key risk areas such as revenue recognition, expenditure controls, and journal entries.</li> </ul> <p>The Council's risk management processes directly link to financial reporting through periodic financial monitoring, scrutiny by the Audit Committee, and integration of fraud risk assessments into year-end financial statement preparation.</p>		
<p>13. What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?</p>	<p>The Council treats all transactions/accounts /disclosures as similarly at risk of fraud, and as such our internal controls apply to all financial transactions, including council tax and housing benefits.</p>		
<p>14. Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within Epsom and Ewell Borough as a whole, or within specific departments since 1 April 2025? If so, please provide details</p>	<p>The Council's policy to prevent fraud is approved by the Strategic Leadership Team and it is clearly referenced in the annual counter-fraud report taken to Audit &amp; Scrutiny Committee. Internal Audit provide regular reports to Audit &amp; Scrutiny Committee, and any material and actual instances of fraud would be reported to this Committee.</p> <p>Management are not aware of any instances of material fraud by officers. Regarding suspected or alleged fraud, errors or other irregularities, the Council is aware of a few external instances of fraud related to fake parking tickets and housing-related fraud. The Council has also commissioned a neighbouring authority to investigate, predominantly, housing related fraud and this arrangement has been in place since Quarter 1 of the 2023-2024 year.</p>		<p>Litigation and claims</p>

<p>4. As a management team, how do you communicate risk issues (including fraud) to those charged with governance?</p>	<p>Management reports risk issues to those charged with governance in accordance with the Council's Constitution and Risk Management Strategy. Regular risk management reports are reported to Audit &amp; Scrutiny Committee, and Policy Committee-specific risk registers are maintained, which are discussed at quarterly policy chairs meetings.</p> <p>The Annual Governance Statement identifies any significant governance issues, along with mitigations where appropriate.</p>		
<p>5. Have you identified any specific fraud risks? If so, please provide details</p> <p>Do you have any concerns there are areas that are at risk of fraud?</p> <p>Are there particular locations within Epsom and Ewell Borough where fraud is more likely to occur?</p>	<p>The Council registers and assesses fraud risk on Service business plans, alongside other corporate risks. The risk generally align with those typical fraud risks set out in the Fighting Fraud Locally Strategy. There are no risks that the Council is specifically concerned about. Fraud risk exposure meetings have or will be held with all Council teams.</p> <p>While the Council has identified some teams as exposed to higher fraud risk than others, such as revenues, benefits, housing, community services and transport and waste, the respective managers have confirmed that current risk mitigations are sufficient.</p>		
<p>6. What processes do Epsom and Ewell Borough have in place to identify and respond to risks of fraud?</p>	<p>Heads of Service on Strategic and Corporate Leadership Teams submit annual 'Divisional Assurance Statements', which provide assurance that any frauds affecting the financial statements would be reported. Management considers that the financial statements are not materially misstated, either due to fraud or for any other reason, due to this process and other internal controls to minimise the risk of fraud, including:</p> <ul style="list-style-type: none"> <li>- Whistleblowing policy</li> <li>- Segregation of duties</li> <li>- Internal audit to investigate any high-risk fraud areas</li> </ul>		

	<p>- Fraud risks are included on the Council's corporate risk register.</p> <p>- Anti-Fraud and Anti-Corruption Strategy and Response Plan</p> <p>A fuller account of our arrangements can be found in the committee files on the council's website for the Audit and Scrutiny Committee.</p> <p>Mandatory staff online training course which covers fraud prevention and identification.</p>		
<p>7. How do you assess the overall control environment for Epsom and Ewell Borough, including:</p> <ul style="list-style-type: none"> <li>• the existence of internal controls, including segregation of duties; and</li> <li>• the process for reviewing the effectiveness the system of internal control?</li> </ul> <p>If internal controls are not in place or not effective where are the risk areas and what mitigating actions have been taken?</p> <p>What other controls are in place to help prevent, deter or detect fraud?</p> <p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)? If so, please provide details</p>	<p>Heads of Service on Strategic and Corporate Leadership Teams submit annual 'Divisional Assurance Statements', which provides assurance that internal controls are operating effectively.</p> <p>Mitigations include fraud awareness eLearning for staff, fraud communications in Staff Update and membership of the Fighting Fraud and Corruption Locally (FFCL) group.</p> <p>Internal audit regularly test internal controls/procedures and provide assurance reports – including an Annual Internal Audit Report &amp; Opinion - to management and Audit &amp; Scrutiny Committee. Any material findings must have a mitigating management action, which is then followed up by internal audit to ensure implementation.</p> <p>We are not aware of any areas where there is override or inappropriate influence over the financial reporting process.</p>		<p>Entity's process to monitor the system of internal control</p>
<p>8. Are there any areas where there is potential for misreporting? If so, please provide details</p>	<p>The Council has internal controls and procedures in place to ensure the risk of misreporting is low.</p> <p>Internal audit regularly test internal controls/procedures and provide assurance reports to management and Audit &amp; Scrutiny Committee. Any material findings must have a mitigating management action, which is then followed up by internal audit to ensure implementation.</p>		

<p>9. How does Epsom and Ewell Borough communicate and encourage ethical behaviours and business processes of it's staff and contractors?</p> <p>How do you encourage staff to report their concerns about fraud?</p> <p>What concerns are staff expected to report about fraud? Have any significant issues been reported? If so, please provide details</p>	<p>Messages are communicated to staff through: Corporate plans, team meetings, managers' training, feedback at Corporate Management Team, Internal Audit, Staff Update publications, People Framework, Officers Code of Conduct, references made to the Nolan principles. The processes for contractors are set-out in the relevant contract and procurement documents.</p> <p>We encourage reporting in Staff Update messages, the creation of a new fraud reporting email inbox, by reading our fraud policies and completing the e-learning module as part of staff inductions. We also have a Whistleblowing Policy to ensure staff can report fraud without prejudice.</p> <p>Staff are expected to report full details of any known or suspected fraud. No significant issues have been reported in 2025/26 .</p>		
<p>10. From a fraud and corruption perspective, what are considered to be high-risk posts?</p> <p>How are the risks relating to these posts identified, assessed and managed?</p>	<p>Any post involved in financial transactions is considered at risk of fraud or corruption.</p> <p>Risks are managed through having appropriate internal controls, including appropriate authorisation limits for staff and segregation of duties for all financial transactions.</p>		<p>Discussion among the engagement team, including fraud considerations</p>
<p>11. Are you aware of any related party relationships or transactions that could give rise to instances of fraud? If so, please provide details</p> <p>How do you mitigate the risks associated with fraud related to related party relationships and transactions?</p>	<p>The Council is not aware of any significant changes to the prior period in terms of related parties.</p> <ul style="list-style-type: none"> <li>- Strategic and Corporate Leadership Teams are responsible for implementing the Council's policies, and are asked at year-end to declare any related party transactions for the 2025/26 accounts.</li> <li>- Elected Members have direct Control over the Council's strategy and policies. Members are also asked to declare any related party transactions for inclusion in the 2025/26 accounts.</li> </ul> <p>The Council has policies in place to ensure related party relationships and transactions must be disclosed. Officers and members are required to</p>		<p>Related parties (risk assessment)</p>

	declare any conflicts of interest prior to taking part in any decision-making process.		
<p>12. What arrangements are in place to report fraud issues and risks to the Audit Committee?</p> <p>How does the Audit Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control?</p> <p>What has been the outcome of these arrangements so far this year?</p>	<p>Our arrangements for fraud reporting are set out in our Anti-fraud and anti-corruption strategy, which now includes a new fraud reporting mailbox for staff. An annual counter-fraud report is taken to Audit &amp; Scrutiny Committee, as well as Internal Audit reports</p> <p>Internal audit recommendations must have a mitigating management action. Internal audit follow-up to ensure all actions are implemented, with any outstanding actions reported to Audit &amp; Scrutiny Committee. A recent internal audit on fraud concluded with a 'reasonable' opinion. To check</p> <p>Management are not aware of any instances of material fraud. Regarding suspected or alleged fraud, errors or other irregularities, the Council is aware of a few instances of fraud related to fake parking tickets (although no loss was suffered by the Council) and one instance of attempted 'phishing' fraud using a fake invoice (which was prevented). The Council has also commissioned a neighbouring authority to investigate, predominantly, housing related fraud. This arrangement began in Quarter 1 2023-2024.</p>		Discussion among the engagement team, including fraud considerations
<p>13. Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?</p>	Management is not aware of any.		Discussion among the engagement team, including fraud considerations
<p>14. Have any reports been made under the Bribery Act? If so, please provide details</p>	Management is not aware of any.		Discussion among the engagement team, including fraud considerations

Laws and regulations			
<p>1. How does management gain assurance that all relevant laws and regulations have been complied with?</p> <p>What arrangements does Epsom and Ewell Borough have in place to prevent and detect non-compliance with laws and regulations?</p> <p>Are you aware of any changes to the Epsom and Ewell Borough's regulatory environment that may have a significant impact on the Epsom and Ewell Borough financial statements?</p>	<p>Heads of Service on Strategic and Corporate Leadership Teams submit annual 'Divisional Assurance Statements', which provide assurance that laws and regulations have been complied with. The Council has policies in place to identify any breaches, including the following:</p> <ul style="list-style-type: none"> <li>- Whistleblowing policy</li> <li>- Internal audit test for compliance with laws and regulations as part of their reviews.</li> </ul> <p>Furthermore, all Committee reports must have the legal comments documented within the report. All reports are reviewed by a legal officer or the Monitoring Officer.</p> <p>During 2023/24, the Council undertook a review of its Scheme of delegation to ensure that decision-making procedures remain robust and work to embed these changes was carried out in 2024/25.</p> <p>There are no regulatory changes that are expected to have a material impact on the financial statements.</p>		Laws and regulations
<p>2. How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<p>All Committee reports and decisions must have the legal implications documented within the report; all reports are reviewed by a legal officer or the Monitoring Officer.</p> <p>The Council's Constitution, Annual Governance Statement and Local Code of Governance set-out the Council's robust governance framework, providing further assurance to the Committee.</p> <p>Audit &amp; Scrutiny Committee receives an annual report on fraud and whistleblowing.</p>		Laws and regulations
<p>3. Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2025 with an on-going impact on the 2025/26 financial statements? If so, please provide details</p>	<p>Management is not aware of any.</p>		Laws and regulations

<p>4. Are there any actual or potential litigation or claims that would affect the financial statements? If so, please provide details</p>	<p>The Council is currently subject to prosecution under relevant Health and Safety legislation; following the entering of a not guilty plea. A provision has been set aside for any potential financial impact resulting from this case.</p> <p>Financial impacts are assessed at year-end and included in the financial statements in accordance with proper accounting practice.</p>		<p>Litigation and claims</p>
<p>5. What arrangements does Epsom and Ewell Borough have in place to identify, evaluate and account for litigation or claims?</p>	<p>At year-end, senior officers on Strategic and Corporate Leadership Teams submit annual 'Divisional Assurance Statements', which include details of any new potential litigation or claims and sufficient details to enable the finance team to judge the appropriate accounting treatment.</p> <p>This provides assurance that any new potential litigation or claims would be identified.</p> <p>Legal advice is sought where appropriate, and managers can access training on regulatory areas that are subject to change.</p>		<p>Litigation and claims</p>
<p>6. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance? If so, please provide details</p>	<p>None to date.</p>		
<p><b>Related parties</b></p>			
<p>1. Have there been any changes in the related parties including those disclosed in Epsom and Ewell Borough's 2025/26 financial statements?</p> <p>If so please summarise:</p> <ul style="list-style-type: none"> <li>• the nature of the relationship between these related parties and Epsom and Ewell Borough</li> <li>• whether Epsom and Ewell Borough has entered into or plans to enter into any transactions with these related parties</li> <li>• the type and purpose of these transactions</li> </ul>	<p>No significant known changes at the current time. Senior Officers and Members are required to sign updated Related Party Declarations at each year-end – these will be provided to Grant Thornton during the audit.</p>		<p>Related Parties (risk assessment)</p>

2. What controls does Epsom and Ewell Borough have in place to identify, account for and disclose related party transactions and relationships?	The Council has a formal policy on Disclosable Pecuniary Interests  Formal declarations for related party transactions are required annually from all senior officers and all Members.		Related Parties (risk assessment)
3. What controls are in place to authorise and approve significant transactions and arrangements with related parties?	Members/Officers with declared related party relationships are not involved in the decision making process for related party transactions.		Related Parties (risk assessment)
4. What controls are in place to authorise and approve significant transactions outside of the normal course of business?	All transactions are processed through the normal business procedures.		Related Parties (risk assessment)
<b>Going concern</b>			
What processes and controls does management have in place to identify events and / or conditions which may indicate that the statutory services being provided by Epsom and Ewell Borough will no longer continue?	Management is represented at Surrey Chief Executives and Surrey Treasurers groups, which would discuss any such matters impacting the County.  Management subscribes to sector bulletins, such as LGA Updates, SOLACE and LG Futures, which would raise awareness of any such changes.		Going concern considerations at planning
Are management aware of any factors which may mean for Epsom and Ewell Borough that either statutory services will no longer be provided or that funding for statutory services will be discontinued? If so, what are they?	Surrey is going through a process of Local Government Reorganisation which is expected to result in the creation of new unitary authorities. The statutory services currently provided by Epsom & Ewell Borough Council will be taken on by these new unitary authorities. At present, these authorities are expected to formally take on this role for the 2026/27 financial year, based on the latest estimated timetable.		Going concern considerations at planning
With regard to the statutory services currently provided by Epsom and Ewell Borough, does Epsom and Ewell Borough expect to continue to deliver them for the foreseeable future, or will they be delivered by related public authorities if there are any plans for Epsom and Ewell Borough to cease to exist?	Surrey is going through a process of Local Government Reorganisation which is expected to result in the creation of new unitary authorities. The statutory services currently provided by Epsom & Ewell Borough Council will be taken on by these new unitary authorities. At present, these authorities are expected to formally take on this role		Going concern considerations at planning

	for the 2026/27 financial year, based on the latest estimated timetable.		
Are management satisfied that the financial reporting framework permits Epsom and Ewell Borough to prepare its financial statements on a going concern basis? Are management satisfied that preparing financial statements on a going concern basis will provide a faithful representation of the items in the financial statements?	<p>Yes, management is satisfied that preparing financial statements on a going concern basis will provide a faithful representation of the items in the financial statements, and that the financial reporting framework permits this approach.</p> <p>The Chief Finance Officer provides assurance that the Council is a going concern, through the Medium Term Financial Strategy and Section 25 report to Full Council in February 2026.</p>		Going concern considerations at planning
<b>Accounting estimates</b>			
1. What are the classes of transactions, events and conditions, that are significant to the financial statements that give rise to the need for, or changes in, accounting estimate and related disclosures?	<p>The main accounting estimates in the financial statements are disclosed in Note 4 to the Statement of Accounts. These are:</p> <ul style="list-style-type: none"> <li>- Property Plant &amp; Equipment valuations</li> <li>- Investment Property valuations</li> <li>- Pension Fund valuations</li> </ul> <p>Through representation at Corporate Leadership Team and Committee meetings, Finance Team become aware of any significant transactions, events or conditions that would require accounting estimates.</p> <p>Senior officers on Strategic and Corporate Leadership Teams also submit annual 'Divisional Assurance Statements', which provides assurance that all material transactions, events and conditions, that affect the financial statements, have been captured.</p>		Accounting Estimates section
2. How does the Epsom and Ewell Borough's risk management process identify and address risks relating to accounting estimates?	<p>The Council uses independent and suitably qualified external experts where appropriate.</p> <p>The Council's finance team employs suitably CCAB-qualified accountants to follow CIPFA and</p>		Accounting Estimates section

	IFRS accounting standards when making accounting estimates.		
3. How does management identify the methods, assumptions or source data, and the need for changes in them, in relation to key accounting estimates?	Management follows CIPFA's Code of Practice and the accounting standards to make the key accounting estimates.		Accounting Estimates section
4. How do management review the outcomes of previous accounting estimates?	Year-on-year changes in accounting estimates are reconciled within the Notes to the Statement of Accounts.		Accounting Estimates section
5. Were any changes made to the estimation processes in 2025/26 and, if so, what was the reason for these?	No changes have been made for 2025/26 – the Council has been consistent in the methodology used for accounting estimates.		Accounting Estimates section
6. How does management identify the need for and apply specialised skills or knowledge related to accounting estimates?	<p>Management follows standard sector practice by using RICS specialists for the valuation of its Property Plant and Equipment, and qualified actuaries for the estimation of the pension fund position.</p> <p>When specific technical accounting advice is required, the Council utilises Ihabods Industries for external accounting advice and LG Futures and Pixel Financial Management for business rates advice.</p>		Accounting Estimates section
7. How does the Epsom and Ewell Borough determine what control activities are needed for significant accounting estimates, including the controls at any service providers or management experts?	<p>The Council provides its RICS property valuers with an engagement letter, setting out the activities that are required. The external estimates/valuations are then reviewed by qualified Council officers, with any unusual or unexpected movements/valuations queried and explanations sought.</p> <p>As a member of the Surrey Pension Fund, Surrey County Council engages the actuary Hymans Robertson LLP to calculate the pension fund position on our behalf.</p> <p>Council officers then review the IAS Results Report for reasonableness of assumptions. Any unusual or</p>		Accounting Estimates section

	unexpected movements/valuations are queried and explanations sought.		
8. How does management monitor the operation of control activities related to accounting estimates, including the key controls at any service providers or management experts?	<p>As above, the Council provides it RICS property valuers with an engagement letter, which sets out the activities that are required. The external estimates/valuations are then reviewed by qualified Council officers, with any unusual or unexpected movements or valuations queried and explanations sought.</p> <p>As a member of the Surrey Pension Fund, Surrey County Council engages the actuary Hymans Robertson LLP to calculate the pension fund position on our behalf.</p> <p>Council officers then review the IAS Results Report for reasonableness of assumptions. Any unusual or unexpected movements/valuations are queried and explanations sought.</p>		Accounting Estimates section
<p>9. What is the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates, including:</p> <ul style="list-style-type: none"> <li>• Management's process for making significant accounting estimates</li> <li>• The methods and models used</li> </ul> <p>The resultant accounting estimates included in the financial statements.</p>	<p>Both the Section 151 Officer and Deputy S151 Officer review the estimates used in the Statement of Accounts. Following review, the S151 Officer certifies the SoA as free from material error and presenting a true and fair view.</p> <p>The SoA is also reviewed and approved by elected members of Audit and Scrutiny Committee, before the audit is signed off.</p> <p>See Appendix A for the methods and models used.</p>		Accounting Estimates section
10. Are management aware of any transactions, events, conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement (other than those in Appendix A)? If so, what are they?	<p>The main accounting estimates in the financial statements are those disclosed in Appendix A and in Note 4 to the Statement of Accounts. These are:</p> <ul style="list-style-type: none"> <li>- Property Plant &amp; Equipment accounting</li> <li>- Investment Property Accounting</li> <li>- Pension Fund Accounting</li> </ul>		Accounting Estimates section
11. Why are management satisfied that their arrangements for the accounting estimates, as detailed in Appendix A, are reasonable?	Management is satisfied that arrangements for the accounting estimates are reasonable, as the estimates are compliant with accounting standards and CIPFA's Code of Practice and have been		Accounting Estimates section

	<p>reviewed by the Council's finance team of suitably CCAB-qualified accountants. Where applicable, estimates are obtained from qualified, external (and therefore independent) actuaries and property valuers, providing further assurance that the estimates are reasonable.</p>		
<p>12. How is the Audit Committee provided with assurance that the arrangements for accounting estimates are adequate ?</p>	<p>The Council's accounts are produced by appropriately qualified accountants and then certified by the CCAB-qualified S151 Officer.</p> <p>Members can challenge officers on any aspect of the Statement of Accounts at the Audit and Scrutiny Committee meeting.</p> <p>Internal audit periodically review general and capital accounting arrangements, which provides further assurance.</p> <p>External audit review also provides assurance.</p>		<p>Accounting Estimates section</p>

## Appendix A – Accounting Estimates

Possible examples include: land and buildings valuations, council dwelling valuations, investment property valuations, valuation of defined benefit net pension fund liability/asset, fair value estimates, level 2 and 3 investments, PFI liabilities, provisions, accruals, credit loss and impairment allowances, leases.

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
<b>Land &amp; Building Valuation and Investment properties</b>	As set-out in the accounting policies in the Statement of Accounts - fair value for investment properties, current value or depreciated replacement cost for operational land and properties.	Qualified experts are used to undertake the estimates. Segregation of duties requires two officers to post valuation movements in the general ledger.	Yes – management have used RICS qualified firm Wilks, Head and Eve.	Note 4 of the Statement of Accounts discloses the degree of uncertainty and a high-level sensitivity analysis.	No
<b>Depreciation</b>	As set-out in our accounting policies - typically 50 years for buildings on a straight-line basis.	Qualified experts are used to assess the expected asset life, which is used as the basis for the depreciation estimate. Segregation of duties requires two officers to post depreciation movements in the general ledger.	Wilks, Head and Eve provide the valuations. In addition, officers in the finance team are qualified accountants i.e. experts. We use internal software called Real Asset Management to assist with depreciation estimates.	Note 4 of the Statement of Accounts discloses the degree of uncertainty and a high-level sensitivity analysis.	No
<b>Significant Accruals</b>	The accruals accounting principle is applied. Civica Purchasing is used to identify system accruals, with a supporting manual process for sundry accruals.	Internal guidance and segregation of duties requires two officers to post accruals in the general ledger.	Officers in the finance team are qualified accountants i.e. experts.	Expenditure and income is recognised in the year to which it relates. There is little uncertainty, and no acceptable alternative to accruals accounting.	No

<b>Valuation of Pension Liability</b>	The valuation is undertaken in accordance with the principles of the relevant accounting standards - FRS102 and IAS19.	Qualified independent experts are used to undertake the estimates.	Expert firm Hymans Robertson LLP are engaged to undertake the estimates.	Notes 4 and 32 of the Statement of Accounts disclose the degree of uncertainty and a high-level sensitivity analysis.	No
<b>Fair Value of Loans</b>	Fair valuations are undertaken in accordance with IFRS16 by independent experts.	Independent industry experts are used to undertake the estimates.	Expert firm Link Asser Services are engaged to undertake the estimates.	Note 18 of the Statement of Accounts discloses the degree of uncertainty and input assumptions used in the valuation.	No
<b>NNDR Appeals provision</b>	NNDR Appeals provision	In accordance with CIPFA's Code of Practice, provisions are calculated based on an estimate of the probable liability.	Management use information provided by the Valuation Office Agency to identify outstanding appeals submitted by businesses.	Management use information provided by the Valuation Office Agency.	Management use past appeal success rates to assist in projecting future appeal success rates. In addition, advice is sought from business rate specialists LG Futures and Pixel Financial Management.
<b>Credit Loss Allowance</b>	Credit loss allowance	Debtors are assessed annually and for doubtful debts, an allowance is made for expected future credit losses, which factors in the age and recoverability of the debt.	Outstanding debtor balances are monitored through the debtors control account.	Officers in the finance team are qualified accountants i.e. experts.	The estimate is based on expected future credit losses on outstanding debts. A sensitivity analysis is included within Note 4 of the Statement of Accounts.
<b>Leases (Right of Use Assets and liabilities)</b>	The value of the asset is obtained from a third party and spread equally across the useable life of the asset using the discount rate implicit in the lease.	A third party with experience in the field has been used.	Assets values have been obtained from a third party with experience in the field.	Most leases are coming to the end of their usable lives, therefore values are comparably reduced, thus reducing the degree of uncertainty in the estimate.	No.