

Audited body: Halton Borough Council

Year ended: 31/03/2025

Inquiries of management and others

ISA 315 (Revised 2019). 14 requires risk assessment procedures to include inquiries of management and other within the entity. The purpose of this is to support an appropriate basis for the identification and assessment of risks, and design of further audit procedures. Inquiries of management and those responsible for financial reporting and of other appropriate individuals within the entity and other employees with different levels of authority may offer the auditor varying perspectives when identifying and assessing risks of material misstatement. [ISA 315 (Revised 2019). 14 A22-A24].

The purpose of this working paper to support our inquiries and discussions with management and others. This working paper does not supersede the questions in planning inquiries, and is additional to those which need to be asked of management/ TCWG/ internal audit etc.

Meeting details

Date:

Time:

Teams meeting/ Location:

Attendees:

Agenda	Client responses/meeting notes	Consideration of impact on risk assessment	x-ref to section of LEAP
General inquiries			
1. What do you regard as the key events or issues that will have a significant impact on the financial statements for 2024/25?	1. Council spending continues to exceed the level of resources available to fund services. Key budgetary pressures include: <ul style="list-style-type: none">• Demand Led services including, adults community care, children in care and educational high need assessments.• Difficulty in staff recruitment and retainment continues to have an adverse impact which		

	<p>is driving the use of expensive external agency staff.</p> <p>2. During 2024/25 Children Services have been subject to an Ofsted inspection which judged services for children to be graded as inadequate for overall effectiveness. As a result in October 2024, Council Executive Board approved a programme of spending, in region of £13m over a three year period to implement an improvement programme for children services.</p> <p>3. In February 2024, Executive Board agreed the establishment of a Joint Venture (JV) with Commercial Services Group, called Connect to Halton. The aim of the JV being to provide the provision and engagement of agency workers. The Connect to Halton project went live in October 2024.</p> <p>4. During the year the Council applied to Government for Exceptional Financial Support (EFS) to help fund the budget deficit estimated for 2024/25 and 2025/26. In February 2025 MHCLG provisionally approved the following in terms of EFS, firm and final agreement pending a resilience review on the Council's finances and governance.</p> <ul style="list-style-type: none"> • £32.0m (support agreed in-principle 2025-26) • £20.8m (support agreed in-principle 2024-25) 		
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<p>2. Have you considered the appropriateness of the accounting policies adopted by the Council?</p> <p>Have there been any events or transactions that may cause you to change or adopt new accounting policies? If so, what are they?</p>	<p>The Council's accounting policies are still to be finalised. At this point it is considered there have been no events or transactions which have required changes to or the adoption of new accounting policies.</p>		
<p>3. Is there any use of financial instruments, including derivatives? If so, please explain</p>	<p>There is use of financial instruments, but not derivatives. The policy on the use of financial instruments is reported through the Treasury Management Strategy and reviewed through the Treasury Management monitoring process.</p>		
<p>4. Are you aware of any significant transaction outside the normal course of business? If so, what are they?</p>	<p>1. Capitalisation of spend on the Council's Transformation Programme took place during 2024/25. A use of capital receipts strategy was shared with MHCLG in March 2024 for the year 2024/25.</p> <p>2. As per point 1, the Council will be making use of Exceptional Financial Support during 2024/25.</p>		
<p>5. Are you aware of any changes in circumstances that would lead to impairment of non-current assets? If so, what are they?</p>	<p>None in which the Council are aware of.</p>		
<p>6. Are you aware of any guarantee contracts? If so, please provide further details</p>	<p>None in which we are aware of.</p>		
<p>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>	<p>None, other than what is included in the Statement of Accounts as a provision or contingent liability.</p>		
<p>8. Other than in house solicitors, can you provide details of those solicitors utilised by the Council during the year. Please indicate where they are working on open litigation or contingencies from prior years?</p>	<p>Brabners – utilised for property advice.</p> <p>DLA Piper/ DWF Law – utilised for regen and development schemes</p>		

	Greenhalgh Kerr – Utilised for recovery of council tax and business rate debts Weightmans – Utilised for insurance and HR matters		
9. Have any of the Council'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		
10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?	PWC provided advice on VAT and CIS matters. AON and Gallagher provided advice as the Council's insurance broker. MUFG (Mitsubishi UFG) provided treasury management advice during the year and provided information on the Financial Instruments note to the Council's financial accounts. Consultants were in place to support the Council's 3 year transformation programme.		
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	Credit loss provisions considered on an annual basis for both general and collection fund matters.		
Fraud inquiries			
12. Has Halton Borough Council assessed the risk of material misstatement in the financial statements due to fraud? How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process? How do the Council's risk management processes link to financial reporting?	The Council assesses the risk of material misstatement in its financial statements due to fraud as minimal. This confidence is based on the following key factors: • Strong Anti-Fraud Measures: The Council has robust anti-fraud arrangements in place, and internal fraud levels remain consistently low. External fraud tends to be minor and		

	<p>mainly related to Council Tax and Benefits.</p> <ul style="list-style-type: none"> • Qualified and Experienced Staff: <p>Financial statements are prepared by appropriately qualified and experienced staff. A rigorous quality assurance process ensures accuracy and minimises the risk of material errors.</p> <ul style="list-style-type: none"> • Internal Audit Assurance: Regular reviews of core systems by Internal Audit provide assurance that financial data is reliable, reducing the risk of misstatement. • Effective Fraud Risk Management: <ul style="list-style-type: none"> - Fraud risk is actively considered in the Council's planning processes. - The Audit & Governance Board receives regular updates on corporate risk management and reviews the Corporate Risk Register, which explicitly acknowledges fraud risks and the Council's control measures. • Established Anti-Fraud Policies: The Council's Anti-Fraud & Corruption Strategy, Fraud Response Plan, and Confidential Reporting Code (Whistleblowing Policy) are integral parts of its Constitution, reinforcing its commitment to fraud prevention. • Fraud Awareness and Investigation: 		
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	<p>- Internal Audit considers fraud risk in every audit assignment and periodically raises fraud awareness among employees and members.</p> <p>- A dedicated Investigations Team, comprising three investigator posts, provides a specialised resource for conducting fraud investigations across the Council.</p> <p>These measures collectively ensure that the Council maintains a strong stance against fraud, safeguarding financial integrity and public trust.</p>		
13. What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?	<p>Housing Benefit and Council Tax Reduction Scheme claims are considered to be most susceptible to fraud. This is a national issue and not unique to Halton.</p> <p>Other areas at risk of fraud include:</p> <ul style="list-style-type: none"> • Insurance claims against the Council • Procurement • Supplier invoices, Bank mandate fraud • Council Tax – Single Person Discounts and Council Tax Reduction Scheme • Business Rates • Payroll & Pensions • Recruitment • Electoral fraud • School admission application fraud 		

	<ul style="list-style-type: none"> • Direct Payments / personal budgets • Adult Social Care – Financial Assessments • Grants to individuals or organisations • Development control • Cash handling • Expenses <p>Blue badges and concessionary travel</p>		
14. Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within the Council as a whole, or within specific departments since 1 April 2024? If so, please provide details	No. The Council's Investigations Team is constantly investigating low level fraud. However, the Council is unaware of any allegations of fraud, errors or other irregularities that would be considered material in terms of the financial statements.		
4. As a management team, how do you communicate risk issues (including fraud) to those charged with governance?	<p>The Audit & Governance Board receives regular reports on the Council's corporate risk management arrangements and reviews the Corporate Risk Register.</p> <p>The risk of fraud is specifically acknowledged in the Council's Corporate Risk Register, which also details the measures that the Council has in place to deter fraud.</p> <p>The Audit & Governance Board regularly reviews the robustness of the Council's risk management arrangements.</p> <p>Risk issues identified through the work of Internal Audit are reported to the</p>		

	<p>Audit & Governance Board through regular progress reports.</p> <p>The Audit & Governance Board also receives an annual report on the Council's anti-fraud and corruption arrangements. Please see the agenda and minutes from the September 2024 meeting of the Board for the latest report.</p> <p>Any emerging significant risk issues would be communicated to elected members as appropriate.</p> <p>There is a section in the Council's standard Board reporting template that requires consideration of the risks associated with any decision.</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 the Council where fraud is more likely to occur?</p>	<p>Housing Benefit and Council Tax Reduction Scheme claims are considered to be most susceptible to fraud. This is a national issue and not unique to Halton.</p> <p>There are also other areas where local authorities may be at risk of fraud. For Halton these include:</p> <ul style="list-style-type: none"> • Council Tax (Single Person Discounts, Student Exemptions, Non-occupancy) • Business Rates (Reliefs and Exemptions) • Online Banking Transactions • Procurement • Supplier Payment Fraud • Payroll • Grants 		

	<ul style="list-style-type: none"> • Insurance Claims • Travel and Subsistence Claims • Cash Collection and Banking • Schools <p>Direct Payments / Personal Budgets</p>		
6. What processes do the Council have in place to identify and respond to risks of fraud?	<p>The Council has a well-established risk management process, ensuring that fraud risks are actively considered as part of strategic planning. Key measures include:</p> <ul style="list-style-type: none"> • Regular Risk Monitoring: <ul style="list-style-type: none"> - Management Team frequently reviews and monitors the Corporate Risk Register, ensuring that fraud risks are identified and addressed. - The Audit & Governance Board receives regular reports on corporate risk management and assesses the robustness of risk controls. - Fraud risk is explicitly acknowledged in the Corporate Risk Register, alongside the preventive measures the Council has in place. • Comprehensive Anti-Fraud Framework: <ul style="list-style-type: none"> - The Council's Anti-Fraud & Corruption Strategy, Fraud Response Plan, and Confidential Reporting 		

	<p>Code (Whistleblowing Policy) are integral parts of the Council Constitution, reinforcing its commitment to transparency and accountability.</p> <ul style="list-style-type: none"> • Internal Audit and Fraud Awareness: <ul style="list-style-type: none"> - Internal Audit considers fraud risk in all audit assignments and periodically conducts fraud awareness initiatives for employees and members. - A dedicated Investigations Team of three specialist investigators provides a Council-wide resource for tackling fraud. • Public Engagement in Fraud Prevention: <ul style="list-style-type: none"> - The Council operates a fraud reporting system, enabling members of the public to report concerns about potentially fraudulent activities. <p>Other arrangements to identify and respond to the risk of fraud include:</p> <ul style="list-style-type: none"> • Crime insurance policy to indemnify the Council against significant financial loss resulting from fraud • Participation in the National Fraud Initiative 		
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	<ul style="list-style-type: none"> • Collaboration with other local authorities and sharing of best practice in regard to tackling fraud and corruption • Formal arrangements with the DWP to participate in joint criminal fraud investigations relating to the Council Tax Reduction Scheme (CTRS) and social security benefit fraud • Membership of the National Anti-Fraud Network (NAFN), which is the largest shared service in the country and provides data, intelligence and best practice in support of fraud and investigation work <p>These measures ensure that fraud risk is managed as far as is reasonably practicable.</p>		
<p>7. How do you assess the overall control environment for the Council, including:</p> <ul style="list-style-type: none"> • the existence of internal controls, including segregation of duties; and • the process for reviewing the effectiveness the system of internal control? <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>The Council maintains a strong and well-established control environment, as consistently reflected in the annual opinions of the Head of Internal Audit over an extended period.</p> <p>Key measures ensuring financial integrity and governance include:</p> <ul style="list-style-type: none"> • Comprehensive Internal Audit Oversight: <ul style="list-style-type: none"> - Internal Audit provides continuous monitoring of the Council's control framework, conducting regular reviews of core systems that inform the financial statements. 		

	<ul style="list-style-type: none"> - Each audit includes an assessment of internal controls and fraud risk, ensuring a proactive approach to fraud risk management. • Action Plans for Continuous Improvement: <ul style="list-style-type: none"> - Any significant internal control weaknesses identified through Internal Audit, External Audit, or other assurance providers are addressed with targeted action plans. - The results of all audit reviews, including follow-up audits, are reported to the Audit & Governance Board, ensuring accountability and transparency. • Fraud Awareness and Prevention: <ul style="list-style-type: none"> - The Council promotes a strong anti-fraud culture, supported by an e-learning module designed to raise staff awareness of fraud risks. • High Standards in Financial Reporting: <ul style="list-style-type: none"> - Staff responsible for financial statement preparation are highly qualified and experienced. 		
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	<ul style="list-style-type: none"> - A rigorous quality assurance process ensures that financial statements remain accurate and free from material error. • Governance Oversight: <ul style="list-style-type: none"> - The Audit & Governance Board reviews and approves the Annual Governance Statement, incorporating assurances from multiple sources to reinforce the Council's internal control framework. <p>Appropriate segregation of duty is inbuilt into the Council's finance and banking systems to ensure that the same officer cannot initiate a transaction and authorise it.</p> <p>The Council is not aware of any instances where controls have been overridden or where inappropriate influence has been exerted over the financial reporting process.</p>		
8. Are there any areas where there is potential for misreporting? If so, please provide details	<p>The Council has established robust reporting processes to ensure accuracy, completeness, and transparency in financial reporting. We have no known areas of concern regarding potential misreporting.</p> <p>Key safeguards include:</p> <ul style="list-style-type: none"> • Comprehensive Reconciliation Procedures – The Council has established robust reporting processes to ensure accuracy, completeness, and transparency in financial 		

	<p>reporting. We have no known areas of concern regarding potential misreporting.</p> <ul style="list-style-type: none"> • Rigorous Verification and Review – Figures are subject to thorough verification, checking, and challenge before being reported, further mitigating any risk of misreporting. <p>These measures reinforce the Council's commitment to accurate and reliable financial reporting.</p>		
<p>9. How does the Council 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>The Council's Local Code of Corporate Governance, which is an integral part of the Council Constitution, outlines the processes in place to ensure that officers uphold high standards of conduct and effective governance. These arrangements are wide-ranging and communicated to staff through various channels, including induction procedures, the employee code of conduct, Finance and Procurement Standing Orders, registers of interests, staff communications, registers of gifts and hospitality, whistleblowing procedures, HR policies, and fraud awareness training.</p> <p>E-learning has been implemented to enhance employee awareness of the Bribery Act, fraud and corruption, and Information Governance.</p> <p>Staff are encouraged to report any concerns related to potential fraud, corruption, or unethical or unprofessional behaviour. The Council has a whistleblowing policy in place for</p>		

	both staff and contractors to report such concerns. The reporting channels are widely publicised, and all reports received are thoroughly investigated.		
<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 posts having high value levels of delegation are considered potentially higher risk from a fraud and corruption perspective, as well as those dealing with the procurement of contracts.</p> <p>However, the Council operates a scheme of delegation which ensures that an appropriate structure of financial authorisation is in place to mitigate potential risks. Appropriate segregation of duty is inbuilt into the Council's finance and banking systems to ensure that the same officer cannot initiate a transaction and authorise it.</p> <p>The Council operates robust procurement arrangements, which are overseen by the Procurement Team. This provides assurance that the Council's procurement activity is legally compliant and compliant with the requirements of the Council's own Procurement Standing Orders.</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>A list of related parties will be included within the Council's draft 2024/25 Statement of Accounts. We are not aware that any of these relationships or transactions could give rise to instances of fraud.</p>		
<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>The Audit & Governance Board receives regular reports on the Council's corporate risk management arrangements and reviews the Corporate Risk Register. The risk of fraud is specifically acknowledged in</p>		

What has been the outcome of these arrangements so far this year?	<p>the Council's Corporate Risk Register, which also details the measures that the Council has in place to deter fraud. The Audit & Governance Board regularly reviews the robustness of the Council's risk management arrangements.</p> <p>Risk issues identified through the work of Internal Audit are reported to the Audit & Governance Board through progress reports to each meeting of the Board</p> <p>The Audit & Governance Board also receives an annual report on the Council's anti-fraud and corruption arrangements. The Board received the 2023/24 report in September 2024. The 2024/25 version will be reported in September 2025.</p> <p>No significant fraud issues / risks were reported to the Audit and Governance Board in 2024/25.</p>		
13. Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?	<p>All whistleblowing complaints are logged and investigated by the Audit & Investigations Team. A summary of the complaints received, and outcomes, is reported to the Audit and Governance Board in the annual report on the Council's anti-fraud and corruption arrangements.</p> <p>No whistleblowing complaints have however been received to date during 2024/25.</p>		
14. Have any reports been made under the Bribery Act? If so, please provide details	No		
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 the Council have in place to prevent and detect non-compliance with laws and regulations?</p> <p>Are you aware of any changes to the Council's regulatory environment that may have a significant impact on the Council's financial statements?</p>	<p>1. Seniors Officers, the Legal Department and Finance Officers are responsible for ensuring compliance with relevant laws and regulations. Internal Audit reviews such arrangements as part of its annual plan of work and report on any non-compliance.</p> <p>2. The Council also operates whistleblowing arrangements which provides various assessments of compliance.</p> <p>3. There have not been any changes to the Council's regulatory environment which would have a significant impact upon the financial statements.</p>		
<p>2. How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<p>1. The Audit and Governance Board considers the Annual Governance Statement which provides various assessments of compliance.</p> <p>2. Assurances are also provided by the arrangements operated by the Council's statutory Section 151 Officer and Monitoring Officer.</p>		
<p>3. Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2024 with an on-going impact on the 2024/25 financial statements? If so, please provide details</p>	<p>There have been no such instances of non-compliance or suspected non-compliance since 01 April 2024.</p>		
<p>4. Are there any actual or potential litigation or claims that would affect the financial statements? If so, please provide details</p>	<p>Only for those where it is possible the liability is with the Council and there is uncertainty over the amounts. These are covered within the contingent liabilities note.</p>		
<p>5. What arrangements does the Council have in place to identify, evaluate and account for litigation or claims?</p>	<p>Senior Officers, the Legal Department and Finance Officers are requested on an annual basis to consider potential</p>		

	<p>litigation and claims. Regular financial reporting and budget monitoring also helps with the identification process.</p> <p>Assessments are undertaken by the Revenues and Financial Management Division and decisions taken on how to account for claims in line with accounting standards and the CIPFA Code of Practice. A provision is set for all insurance claims, in order to quantify the full potential cost of all outstanding claims. Regular meetings take place with service providers that will highlight these events.</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	None identified.		
Related parties			
<p>1. Have there been any changes in the related parties including those disclosed the Council's 2024/25 financial statements?</p> <p>If so please summarise:</p> <ul style="list-style-type: none"> the nature of the relationship between these related parties and the Council whether the Council has entered into or plans to enter into any transactions with these related parties the type and purpose of these transactions 	<p>A list of related parties are included within the council's draft 2024/25 Statement of Accounts.</p> <p>In February 2024, Executive Board agreed the establishment of a Joint Venture (JV) with Commercial Services Group, called Connect to Halton. The aim of the JV being to provide the provision and engagement of agency workers. The Connect to Halton project went live in October 2024.</p>		
2. What controls does the Council have in place to identify, account for and disclose related party transactions and relationships?	An exercise is undertaken annually as part of the process in preparing the Statement of Accounts, to identify potential related party transactions and ensure they are properly accounted for.		
3. What controls are in place to authorise and approve significant transactions and arrangements with related parties?	All transactions for related parties are subject to the Council's normal controls over authorisation and		

	approval of transactions in line with Finance Standing Orders.		
4. What controls are in place to authorise and approve significant transactions outside of the normal course of business?	Any transactions outside the normal course of business are subject to the Chief Executive using emergency decision powers which are all required to be reported at a later date to the Council Executive Board.		
Going concern			
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 the Council will no longer continue?	<p>Council Executive Board have received reports covering the Council's financial position every other month over the past financial year. These reports highlight risk to the Council's financial position and level of reserves the Council holds.</p> <p>Financial Management undertake forecasting of the estimated outturn position during the financial year and a rolling medium term financial forecast is also produced which reviews the Council's financial position over a three year term.</p> <p>Despite the above controls being in place it has been evident over the past year the Council have insufficient financial resources to continue funding day to day spend at the current rate. The Council has been in regular discussions with the Ministry of Housing, Communities and Local Government with regards the financial position and request for 24/25 and 25/26 Exceptional Financial Support has been provisionally agreed to fund ongoing statutory services.</p>		

Are management aware of any factors which may mean for the Council that either statutory services will no longer be provided or that funding for statutory services will be discontinued? If so, what are they?	Despite the Council's financial position, statutory services will continue to be provided.		
With regard to the statutory services currently provided by the Council, does the Council 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 the Council to cease to exist?	There are no plans for the Council to cease to exist therefore statutory services will continue to be provided by the Council.		
Are management satisfied that the financial reporting framework permits the Council 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?	Management are satisfied on both counts.		
Accounting estimates			
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?	Property, Plant and Equipment Pensions Liability Provisions		
2. How does the Council's risk management process identify and address risks relating to accounting estimates?	Consideration is given to such when preparing the financial statements. These will be noted in the 2024/25 Statement of Accounts.		
3. How does management identify the methods, assumptions or source data, and the need for changes in them, in relation to key accounting estimates?	Professional advice is taken with regards these estimates. The Council's internal valuer (via Sandersons Weatherall) provides advice on PPE. Advice on the value of the pension fund is taken from the scheme actuary. Advice, economic climate and use of best available data is used with regard to provisions.		
4. How do management review the outcomes of previous accounting estimates?	Comparison of values is undertaken between current and prior year. Where material differences apply guidance is sought on the reasons.		

5. Were any changes made to the estimation processes in 2024/25 and, if so, what was the reason for these?	No changes are proposed.		
6. How does management identify the need for and apply specialised skills or knowledge related to accounting estimates?	Need for specialist skills or knowledge will be considered separately for each class of estimation.		
7. How does the Council determine what control activities are needed for significant accounting estimates, including the controls at any service providers or management experts?	Control activities are set out in engagement contracts with service providers or management experts. Control activities will be determined in line with CIPFA Code of Practice and International Accounting Standards.		
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?	Ensure these are addressed as part of covering reports in receiving estimates from providers or management experts. Clarification is sought where there are material differences in estimates between years which have not been addressed.		
<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"> • Management's process for making significant accounting estimates • The methods and models used <p>The resultant accounting estimates included in the financial statements.</p>	Detailed information on each estimate is included within the Statement of Accounts.		
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?	None		
11. Why are management satisfied that their arrangements for the accounting estimates, as detailed in Appendix A, are reasonable?	Use of service providers or management experts where required.		
12. How is the Audit Committee provided with assurance that the arrangements for accounting estimates are adequate ?	Use of service providers or management experts where required.		

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?
Land and buildings valuation	Management experts engaged to provide information.	Market and economic conditions	Yes	Considered under accounting policies and major source of estimation uncertainty.	No.
Depreciation	Estimated useful lives are applied for each different class of asset.	Depreciation applied to valuation provided by management experts	Yes	Considered under accounting policies and major source of estimation uncertainty.	No.
Assets held for sale	Management experts engaged to provide information.	Market and economic conditions	Yes	Considered under accounting policies and major source of estimation uncertainty.	No.
Valuation of defined benefit net pension fund liabilities	Management experts engaged through Cheshire Pension Service to provide information	Market and economic conditions	Yes	Considered under accounting policies and major source of estimation uncertainty.	No.
Provisions	Historical experience and current available information	Comparison made to previous years	No	To be considered if material	No

Fair value estimates	<p>The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:</p> <p>a) In the principal market for the asset or liability, or</p> <p>b) In the absence of a principal market, in the most advantageous market for the asset or liability.</p>	Market and economic conditions	No	To be considered if material	No
Accruals	Latest available information	Comparison made to previous years	No	To be considered if material	No
Credit loss and impairment	Historical experience and current available information	Comparison made to previous years. Market and economic conditions	No	To be considered if material	No
Amounts due under finance leases	Latest available information	Comparison made to previous years	No	To be considered if material	No
PFI Liabilities	Model based on latest available information and information relevant to PFI type schemes	Comparison to previous years	Experts used in previous years in setting up initial models	To be considered if material	No