

## 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 work 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:**

## Guidance for audit teams

The agenda below is a list of possible areas for discussion with management to support the risk assessment. Audit teams should tailor these questions as required to the audited body and may wish to share the agenda/ questions with management before the meeting. The audit team may wish to add audit logistics to the agenda (e.g. timing of audit work, Audit Committee dates etc.). The audit team should consider the impact for each item on the risk assessment and ensure these have been appropriately addressed and documented on the LEAP file.

Agenda	Meeting notes	Consideration of impact on risk assessment	x-ref to section of LEAP
<b>General inquiries</b>			
1. What do you regard as the key events or issues that will have a significant impact on the financial statements for 25/26?	1. Biggest impact will be the Council's reliance on Exceptional Financial Support to help bridge the budget deficit. Levels of support requested, include:  2024/25 - £10m confirmed		

	<p>2025/26 - £29m Estimated and pending Government final approval.</p> <p>2026/27 - £35m Estimated and pending Government final approval.</p> <p>Exceptional Financial Support is having an adverse impact on Council cashflow's which will result in increased borrowing costs.</p> <p>2. Council spending has been brought under control during the financial year 2025.26. Early outturn estimates forecasted an overspend in the region of £6m. This has gradually eroded over the course of the year with the latest forecast (as at end of January 26) estimated year-end net cost to be £1.3m under the approved budget.</p> <p>There are still concerns over the Council's cost base, this needs to reduce significantly if the Council can remove reliance on Exceptional Financial Support and bring net spend to a sustainable position.</p> <p>3. Dedicated Schools Grant deficit is expected to be in region of £27m at the end of March 2026. Government have confirmed that up to 90% funding will be available to help fund the deficit but this is dependent on a SEND Reform Plan being approved by</p>		
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	<p>Government. Unsure at point of writing what the requirements of a SEND Reform Plan will look like.</p> <p>Narrative reference will be made in Statement of Accounts to the impact of the Governments contribution to the DSG deficit. With the statutory override being in place we don't foresee any impact on any of the financial statements until 2028/29 accounts.</p> <p>4. Mersey Gateway triennial review of balances will take place at the end of March 2026. This will have an impact on balances relating to Mersey Gateway, plan will be to follow the same approach for the last financial review as at the end of March 2023.</p>		
<p>2. Have you considered the appropriateness of the accounting policies adopted by Halton Borough 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>		

4. Are you aware of any significant transaction outside the normal course of business? If so, what are they?	<p>1. Capitalisation of spend on the Council's Transformation Programme took place during 2025/26. A use of capital receipts strategy was shared with MHCLG in March 2025 for the year 2025/26. This was in addition to the request for Exceptional Financial Support.</p> <p>2. Council is likely to use approx. £29m of Exceptional Financial Support during 2025/26.</p>		
5. Are you aware of any changes in circumstances that would lead to impairment of non-current assets? If so, what are they?	None in which the Council are aware of.		
6. Are you aware of any guarantee contracts? If so, please provide further details	None in which the Council are aware of.		
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	Nothing of a material value which will impact the financial statements.		
8. Other than in-house solicitors, can you provide details of those solicitors utilised by [**name of body**] during the year. Please indicate where they are working on open litigation or contingencies from prior years?	<p>Weightmans provide the Council with advice on personnel matters.</p> <p>Greenhalgh Kerr used for council tax and business rate recovery.</p> <p>Key venture (7HS) provision of support used for children's advocacy.</p>		
9. Have any of Halton Borough 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.		

<p>10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?</p>	<p>PWC provided advice on VAT and CIS matters.</p> <p>Gallagher provide advice as the Council's insurance broker.</p> <p>MUFG (Mitsubishi UFG) provided treasury management advice during the year and will provide information on the Financial Instruments note to the Council's financial accounts.</p> <p>Consultants were in place to support the Council's 3 year transformation programme.</p>		
<p>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</p>	<p>Credit loss provisions considered on an annual basis for both general and collection fund matters.</p>		
<b>Fraud inquiries</b>			
<p>12. Has Halton BC assessed the risk of material misstatement in the financial statements due to fraud?</p> <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 Halton BC's risk management processes link to financial reporting?</p>	<p>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:</p> <ul style="list-style-type: none"> <li>• 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 mainly related to Council Tax and Benefits.</li> <li>• Qualified and Experienced Staff:</li> </ul>		

	<ul style="list-style-type: none"><li>□ Financial statements are prepared by appropriately qualified and experienced staff.</li><li>□ A rigorous quality assurance process ensures accuracy and minimises the risk of material errors.</li><li>• Internal Audit Assurance: Regular reviews of core systems by Internal Audit provide assurance that financial data is reliable, reducing the risk of misstatement.</li><li>• Effective Fraud Risk Management:<ul style="list-style-type: none"><li>□ Fraud risk is actively considered in the Council's planning processes.</li><li>□ The Audit &amp; 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.</li></ul></li><li>• Established Anti-Fraud Policies:<ul style="list-style-type: none"><li>□ The Council's Anti-Fraud &amp; Corruption Strategy, Fraud Response Plan, and Confidential Reporting Code (Whistleblowing Policy) are integral parts of its Constitution, reinforcing its commitment to fraud prevention.</li></ul></li></ul>		
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	<ul style="list-style-type: none"><li>• Fraud Awareness and Investigation:<ul style="list-style-type: none"><li>□ Internal Audit considers fraud risk in every audit assignment and periodically raises fraud awareness among employees and members.</li><li>□ A dedicated Investigations Team, comprising three investigator posts, provides a specialised resource for conducting fraud investigations across the Council.</li></ul></li></ul> <p>These measures collectively ensure that the Council maintains a strong stance against fraud, safeguarding financial integrity and public trust.</p> <p>The Council has also undertaken a fraud risk assessment which informs the annual Fraud Plan.</p> <p>In the private sector, managers may be motivated to manipulate financial results to meet profit targets, influence share prices or secure bonuses or performance-linked rewards. In local government, managers are not rewarded based on financial performance, and there is no profit motive or share price to influence. This significantly reduces the incentive for intentional misstatement / override of controls.</p>		
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<p>13. What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?</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>Other areas at risk of fraud include:</p> <ul style="list-style-type: none"> <li>• Insurance claims against the Council</li> <li>• Procurement</li> <li>• Supplier invoices, Bank mandate fraud</li> <li>• Council Tax – Single Person Discounts and Council Tax Reduction Scheme</li> <li>• Business Rates</li> <li>• Payroll &amp; Pensions</li> <li>• Recruitment</li> <li>• Electoral fraud</li> <li>• School admission application fraud</li> <li>• Direct Payments / personal budgets</li> <li>• Adult Social Care – Financial Assessments</li> <li>• Grants to individuals or organisations</li> <li>• Development control</li> <li>• Cash handling</li> <li>• Expenses</li> </ul>		
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	<ul style="list-style-type: none"> <li>• Blue badges and concessionary travel</li> <li>• Accounting Journals</li> </ul>		
14. Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within Halton BC as a whole, or within specific departments since 1 April 2025? 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.		
15. As a management team, how do you communicate risk issues (including fraud) to those charged with governance?	<p>Risk issues, including those relating to fraud, are communicated to those charged with governance primarily through regular reporting to the Audit &amp; Governance Board. The Board receives routine updates on the Council's corporate risk management arrangements and reviews the Corporate Risk Register, which explicitly acknowledges the risk of fraud and sets out the controls and mitigation measures in place. Through this process, the Board is able to assess the robustness of the Council's risk management framework.</p> <p>Risk matters identified through Internal Audit activity are reported to the Audit &amp; Governance Board via regular Internal Audit progress reports, which highlight significant findings, emerging risks, and management responses. In addition, the Board receives an</p>		

	<p>annual report on the Council's anti-fraud and corruption arrangements; the most recent report was presented to the Board in September 2025.</p> <p>Any emerging significant risk issues would be communicated to elected members through appropriate channels as they arise. Furthermore, the Council's standard reporting template for Board and committee reports includes a dedicated section requiring officers to outline the risks associated with proposed decisions, ensuring that risk considerations are consistently and transparently presented to decision-makers.</p>		
<p>16. 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 Halton BC where fraud is more likely to occur?</p>	<p>The main fraud risk areas identified are listed in response to Q13. The Council's Investigations Team has also completed a fraud risk assessment that informs the Annual Fraud Plan.</p>		
<p>17. What processes do Halton BC have in place to identify and respond to risks of fraud?</p>	<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"> <li>• Regular Risk Monitoring: <ul style="list-style-type: none"> <li>□ Management Team frequently reviews and monitors the Corporate Risk Register,</li> </ul> </li> </ul>		

	<p>ensuring that fraud risks are identified and addressed.</p> <ul style="list-style-type: none"><li>□ The Audit &amp; Governance Board receives regular reports on corporate risk management and assesses the robustness of risk controls.</li><li>□ Fraud risk is explicitly acknowledged in the Corporate Risk Register, alongside the preventive measures the Council has in place.</li><li>• Comprehensive Anti-Fraud Framework:<ul style="list-style-type: none"><li>□ The Council's Anti-Fraud &amp; Corruption Strategy, Fraud Response Plan, and Confidential Reporting Code (Whistleblowing Policy) are integral parts of the Council Constitution, reinforcing its commitment to transparency and accountability.</li><li>• Internal Audit and Fraud Awareness:<ul style="list-style-type: none"><li>□ Internal Audit considers fraud risk in all audit assignments and periodically conducts fraud awareness initiatives for employees and members.</li><li>□ A dedicated Investigations Team of three specialist investigators provides a Council-wide resource for tackling fraud.</li></ul></li><li>• Public Engagement in Fraud Prevention:</li></ul></li></ul>		
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	<p>□ The Council operates a fraud reporting system, enabling members of the public to report concerns about potentially fraudulent activities.</p> <p>Other arrangements to identify and respond to the risk of fraud include:</p> <ul style="list-style-type: none"><li>• Crime insurance policy to indemnify the Council against significant financial loss resulting from fraud</li><li>• Participation in the National Fraud Initiative</li><li>• Collaboration with other local authorities and sharing of best practice in regard to tackling fraud and corruption</li><li>• 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</li><li>• 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</li></ul> <p>These measures ensure that fraud risk is managed as far as is reasonably practicable.</p>		
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<p>18. How do you assess the overall control environment for Halton BC, including the existence of internal controls, including segregation of duties; and</p> <ul style="list-style-type: none"> <li>the process for reviewing the effectiveness of 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 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"> <li>Comprehensive Internal Audit Oversight: <ul style="list-style-type: none"> <li>Internal Audit provides continuous monitoring of the Council's control framework, conducting regular reviews of core systems that inform the financial statements.</li> <li>Each audit includes an assessment of internal controls and fraud risk, ensuring a proactive approach to fraud risk management.</li> </ul> </li> <li>Action Plans for Continuous Improvement: <ul style="list-style-type: none"> <li>Any significant internal control weaknesses identified through Internal Audit, External Audit, or other assurance providers are addressed with targeted action plans.</li> <li>The results of all audit reviews, including follow-up audits, are reported to the Audit &amp; Governance Board, ensuring accountability and transparency.</li> </ul> </li> </ul>		
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	<ul style="list-style-type: none"><li>• Fraud Awareness and Prevention:<ul style="list-style-type: none"><li>- The Council promotes a strong anti-fraud culture, supported by an e-learning module designed to raise staff awareness of fraud risks.</li></ul></li><li>• High Standards in Financial Reporting:<ul style="list-style-type: none"><li>- Staff responsible for financial statement preparation are highly qualified and experienced.</li><li>- A rigorous quality assurance process ensures that financial statements remain accurate and free from material error.</li></ul></li><li>• Governance Oversight:<ul style="list-style-type: none"><li>- The Audit &amp; Governance Board reviews and approves the Annual Governance Statement, incorporating assurances from multiple sources to reinforce the Council's internal control framework.</li></ul></li></ul> <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</p>		
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	exerted over the financial reporting process.		
19. 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"> <li>• Comprehensive Reconciliation Procedures – 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.</li> <li>• Rigorous Verification and Review – Figures are subject to thorough verification, checking, and challenge before being reported, further mitigating any risk of misreporting.</li> </ul> <p>These measures reinforce the Council's commitment to accurate and reliable financial reporting.</p>		
20. How does Halton BC communicate and encourage ethical behaviours and business processes of its staff and contractors?  How do you encourage staff to report their concerns about fraud?	<p>The Council's Local Code of Corporate Governance, which forms an integral part of the Council Constitution, sets out the processes and expectations that ensure officers uphold high standards of conduct and maintain effective governance. These</p>		

<p>What concerns are staff expected to report about fraud? Have any significant issues been reported? If so, please provide details</p>	<p>arrangements are supported by a wide range of policies and guidance, communicated to staff through 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 modules have been introduced to strengthen employee awareness of the Bribery Act, fraud and corruption, and Information Governance requirements.</p> <p>Staff are encouraged to report any concerns about potential fraud, corruption, or unethical or unprofessional behaviour. The Council's whistleblowing policy provides a clear mechanism for both staff and contractors to raise concerns, and the reporting channels are widely publicised. All reports received are handled appropriately and subject to thorough investigation.</p>		
<p>21. From a fraud and corruption perspective, what are considered to be high-risk posts? How are the risks relating to these posts identified, assessed and managed?</p>	<p>Chief Officer posts have the highest levels of financial delegation and may therefore be considered potentially higher-risk from a fraud and corruption perspective, along with roles involved in the procurement of contracts. However, the Council</p>		

	<p>operates a comprehensive Scheme of Delegation that provides a clear structure of financial authorisation, helping to mitigate these risks. Appropriate segregation of duties is built into the Council's finance and banking systems to ensure that no officer can both initiate and authorise the same transaction.</p> <p>The Council also maintains robust procurement arrangements, overseen by the Procurement Team. This oversight helps ensure that all procurement activity is legally compliant and adheres to the Council's Procurement Standing Orders, providing further assurance over the integrity and transparency of purchasing processes.</p>		
<p>22. 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>23. 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>The Audit &amp; Governance Board receives regular reports on the Council's corporate risk management arrangements, including routine updates on the Corporate Risk Register. The risk of fraud is explicitly recognised within the Corporate Risk Register, which sets out the measures in place to prevent, detect, and</p>		

	<p>respond to fraud. Through its review of the Register and related reports, the Audit &amp; Governance Board provides oversight of the robustness of the Council's risk management arrangements.</p> <p>Fraud-related issues identified through Internal Audit work are reported to the Audit &amp; Governance Board through Internal Audit progress reports presented at each meeting. These reports highlight any significant control weaknesses, emerging risks, or incidents identified during audit activity, enabling Members to challenge and scrutinise management's response.</p> <p>In addition, the Audit &amp; Governance Board receives an annual report on the Council's anti-fraud and corruption arrangements. The Board received the 2024/25 report in September 2025, and the 2025/26 report will be presented in June 2026. This annual update provides assurance on the effectiveness of the Council's counter-fraud framework, including policy compliance, investigations, training, and awareness activity.</p> <p>No significant fraud issues or risks were reported to the Audit &amp; Governance Board during 2024/26.</p>		
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<p>24. Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?</p>	<p>All whistleblowing complaints are logged and investigated by the Audit &amp; Investigations Team. A summary of the complaints received, along with the outcomes, is presented to the Audit &amp; Governance Board as part of the annual report on the Council's anti-fraud and corruption arrangements.</p> <p>No whistleblowing complaints have been received during 2025/26 that would have a material impact of the Council's financial statements.</p>		
<p>25. Have any reports been made under the Bribery Act? If so, please provide details</p>	<p>No</p>		
<b>Laws and regulations</b>			
<p>26. How does management gain assurance that all relevant laws and regulations have been complied with? What arrangements does Halton BC have in place to prevent and detect non-compliance with laws and regulations? Are you aware of any changes to Halton BC's regulatory environment that may have a significant impact on the Council's financial statements?</p>	<ol style="list-style-type: none"> <li>1. Seniors Officers, the Legal Department and Finance Officers are responsible for ensuring compliance with relevant laws and regulations. Internal Audit review such arrangements as part of its annual plan of work and report on any non-compliance.</li> <li>2. The Council also operates whistleblowing arrangements which provides various assessments of compliance.</li> <li>3. There have not been any changes to the Council's regulatory environment which would have a significant impact upon the financial statements.</li> </ol>		

27. How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?	<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>		
28. 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 25/26 financial statements? If so, please provide details	There have been no such instances of non-compliance or suspected non-compliance since 01 April 2025.		
29. Are there any actual or potential litigation or claims that would affect the financial statements? If so, please provide details	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.		
30. What arrangements does Halton BC have in place to identify, evaluate and account for litigation or claims?	<p>Senior Officers, the Legal Department and Finance Officers are requested on an annual basis to consider potential 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</p>		

	outstanding claims. Regular meetings take place with service providers that will highlight these events.		
31. 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.		
<b>Related parties</b>			
32. Have there been any changes in the related parties including those disclosed in Halton BC's 25/26 financial statements?  If so, please summarise: <ul style="list-style-type: none"> <li>the nature of the relationship between these related parties and Halton BC</li> <li>whether Halton BC 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>	No changes, a list of related parties will be included within the draft 2025/26 Statement of Accounts.		
33. What controls does Halton BC 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.		
34. 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.		
35. 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.		
<b>Going concern</b>			
36. 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 Halton BC will no longer continue?	<p>Council Executive Board receive reports covering the Council's financial position every other month. These reports includes details on the Council's reserve levels and a financial risk register.</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>		
37. Are management aware of any factors which may mean Halton BC 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.		
38. With regard to the statutory services currently provided by Halton BC, does Halton BC 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 Halton BC 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.		
39. Are management satisfied that the financial reporting framework permits Halton BC 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.		
<b>Accounting estimates</b>			

40. 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		
41. 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 2025/26 Statement of Accounts.		
42. 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.		
43. How does 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.		
44. Were any changes made to the estimation processes in [**add relevant year**] and, if so, what was the reason for these?	No changes are proposed.		
45. 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.		
46. How does the Council determine what control activities are needed for significant accounting estimates, including	Control activities are set out in engagement contracts with service providers or management experts.		

the controls at any service providers or management experts?	Control activities will be determined in line with CIPFA Code of Practice and International Accounting Standards.		
47. 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.		
48. What is the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates, including: <ul style="list-style-type: none"> <li>• Management's process for making significant accounting estimates</li> <li>• The methods and models used</li> </ul> The resultant accounting estimates are included in the financial statements.	Detailed information on each estimate is included within the Statement of Accounts.		
49. 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		
50. 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.		
51. 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	The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:  a) In the principal market for the asset or liability, or  b) In the absence of a principal market, in the most advantageous market for the asset or liability.	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