Audit Strategy Memorandum

Tameside Metropolitan Borough Council

Year ending 31 March 2019

MAZARS

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This document is to be regarded as confidential to Tameside Metropolitan Borough Council. It has been prepared for the sole use of the Audit Panel as the appropriate sub-committee charged with governance by the Council. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

Mazars LLP

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Manchester

M2 3DE

Audit Panel Members
Tameside Metropolitan Borough Council
PO Box 304
Ashton-under-Lyne
0L6 0GA

19 February 2019

Dear Members of the Audit Panel

Audit Strategy Memorandum – Year ending 31 March 2019

We are pleased to present our Audit Strategy Memorandum for the Tameside Metropolitan Borough Council for the year ending 31 March 2019.

The purpose of this document is to summarise our audit approach, highlight significant audit risks and areas of key judgements and provide you with the details of our audit team. As it is a fundamental requirement that an auditor is, and is seen to be, independent of its clients, Section 8 of this document also summarises our considerations and conclusions on our independence as auditors.

We consider two-way communication with you to be key to a successful audit and important in:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;
- sharing information to assist each of us to fulfil our respective responsibilities;
- providing you with constructive observations arising from the audit process; and
- ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance and other risks facing Tameside Metropolitan Borough Council which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

This document, which has been prepared following our initial planning discussions with management, is the basis for discussion of our audit approach, and any questions or input you may have on our approach or role as auditor.

This document also contains specific appendices that outline our key communications with you during the course of the audit, and forthcoming accounting issues and other issues that may be of interest.

Client service is extremely important to us and we strive to continuously provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations so, if you have any concerns or comments about this document or audit approach, please contact me on 0161 238 9248.

Yours faithfully

Karen Murray

Karen Murray

Director and Engagement Lead

Mazars LLP

1. ENGAGEMENT AND RESPONSIBILITIES SUMMARY

Overview of engagement

We are appointed to perform the external audit of Tameside Metropolitan Borough Council for the year to 31 March 2019. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: www.psaa.co.uk/audit-quality/terms-of-appointment/

Our responsibilities

Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.

Audit opinion	We are responsible for forming and expressing an opinion on the financial statements. Our audit is planned and performed so as to provide reasonable assurance that the financial statements are free from material error and give a true and fair view of the financial performance and position of the Council for the year.
Reporting to the NAO	We report to the NAO on the consistency of the Council's financial statements with its Whole of Government Accounts (WGA) submission.
Value for Money	We are required to conclude whether the Council has proper arrangements in place to secure economy, efficiency and effectiveness in it its use of resources. We discuss our approach to Value for Money work further in section 6 of this report.
Electors' rights	The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and consider any objection made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.

Our audit does not relieve management or the Audit Panel, as those charged with governance, of their responsibilities. The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both those charged with governance and management. In accordance with International Standards on Auditing (UK), we plan and perform our audit so as to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However our audit should not be relied upon to identify all such misstatements.

As part of our audit procedures in relation to fraud we are required to enquire of those charged with governance as to their knowledge of instances of fraud, the risk of fraud and their views on management controls that mitigate the fraud risks.

The Council is required to prepare its financial statements on a going concern basis by the Code of Practice on Local Authority Accounting. As auditors, we are required to consider the appropriateness of the use of the going concern assumption in the preparation of the financial statements and the adequacy of disclosures made.

2. YOUR AUDIT ENGAGEMENT TEAM

Karen Murray
Director and Engagement Lead

Email: Karen.murray@mazars.co.uk

Tel: 0161 238 9248

Stephen Nixon
Senior Manager

Email: Stephen.Nixon@mazars.co.uk

Tel: 0161 238 9233

Justine Ogden
Assistant Manager

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Tel: 0161 238 9206

In addition an engagement quality control reviewer has been appointed for this engagement.

3. AUDIT SCOPE, APPROACH AND TIMELINE

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit approach and in accordance with the terms of our engagement. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement, such as those affected by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations or areas which have been found to contain material errors in the past.

Audit approach

Our audit approach is a risk-based approach primarily driven by the risks we consider to result in a higher risk of material misstatement of the financial statements. Once we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to this assessment.

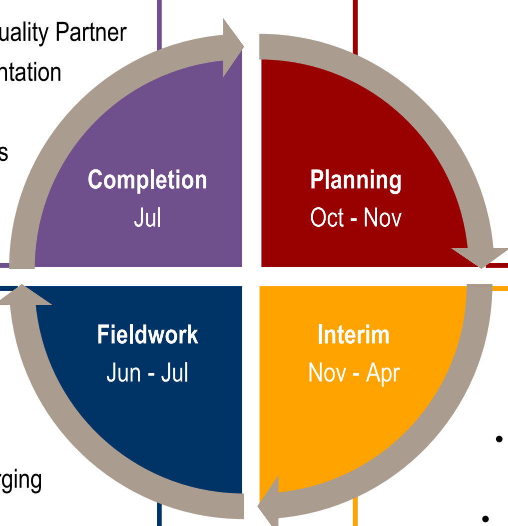
If we conclude that appropriately designed controls are in place then we may plan to test and rely upon these controls. If we decide controls are not appropriately designed, or we decide it would be more efficient to do so, we may take a wholly substantive approach to our audit testing. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise tests of details (of classes of transactions, account balances, and disclosures) and substantive analytical procedures. Irrespective of the assessed risks of material misstatement, which take into account our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transactions, account balance, and disclosure.

Our audit will be planned and performed so as to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in more detail in section 4.

The diagram below outlines the procedures we perform at the different stages of the audit.

- Final review and disclosure checklist on financial statements
- Final review by Audit Director and Quality Partner
- Agreeing content of letter of representation
- Reporting to Audit Panel
- Reviewing post balance sheet events
- Signing our opinion
- Whole of Government accounts

- Updating our understanding of the Council
- Initial opinion and value for money risk assessments
- Agreement of timetables
- Preliminary analytical procedures



- Review of draft financial statements
- Reassessment of audit strategy, revising as necessary
- Delivering our planned audit testing
- Continuous communication on emerging issues
- Clearance meeting

- Documenting systems and controls
- Walkthrough procedures
- Development of our audit strategy
- Controls testing, including general and application IT controls
- Early substantive testing of transactions

3. AUDIT SCOPE, APPROACH AND TIMELINE (CONTINUED)

Reliance on internal audit

Where possible we will seek to utilise the work performed by internal audit to inform our audit risk assessment. We will meet regularly with internal audit to discuss the progress and findings of their work prior to the commencement of our controls evaluation procedures. We have held initial discussions with the internal audit team in October 2018.

Management's and our experts

Management makes use of experts in specific areas when preparing the Council's financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Items of account	Management's expert	Our expert
Defined benefit pension liability valuation and disclosures	Hymans Robertson Actuary for the Greater Manchester Pension Fund	PWC Consulting actuary appointed by the NAO
Property (land and buildings) valuations	Mathews and Goodman	We will use available third party information such as available indices to challenge the key valuation assumptions
Financial instrument disclosures	Link Asset Services	We will review Link's methodology to gain assurance that the fair value disclosures of the Council's financial assets and liabilities are materially correct.
Long Term Investments – Manchester Airport	BDO	Mazars' Financial Reporting Valuations Team

Reporting deadlines

The Council is required to produce draft accounts for audit by 31 May 2019 and to publish audited accounts by the statutory deadline of 31 July 2019.

We have been working with officers to agree a range of measures to ensure that we and the Council are well placed to meet the deadlines and to ensure that audit work is phased throughout the financial year to reduce the amount of audit testing required after the draft accounts are produced.

4. MATERIALITY AND MISSTATEMENTS

Definitions

Materiality is an expression of the relative significance or importance of a particular matter in the context of financial statements as a whole. Misstatements in financial statements are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Summary of initial materiality thresholds

Threshold	Initial threshold (£'000s)
Overall materiality	£9,459
Specific materiality- Senior Officer Remuneration	£1
Trivial threshold for errors to be reported to the Audit Committee	£300

Materiality

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on consideration of the common financial information needs of users as a group and not on specific individual users.

The assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- have a reasonable knowledge of business, economic activities and accounts;
- have a willingness to study the information in the financial statements with reasonable diligence;
- understand that financial statements are prepared, presented and audited to levels of materiality;
- recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement and the consideration of future events; and
- will make reasonable economic decisions on the basis of the information in the financial statements.

We consider materiality whilst planning and performing our audit based on quantitative and qualitative factors.

Whilst planning, we make judgements about the size of misstatements which we consider to be material and which provides a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

The materiality determined at the planning stage does not necessarily establish an amount below which uncorrected misstatements, either individually or in aggregate, will be considered as immaterial. We revise materiality for the financial statements as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

4. MATERIALITY AND MISSTATEMENTS (CONTINUED)

Our provisional materiality is set based on a benchmark of Gross Revenue Expenditure. We consider that Gross Revenue Expenditure remains the key focus of users of the financial statements and, as such, we base our materiality levels around this benchmark.

We will identify a figure for materiality but identify separate levels for procedures designed to detect individual errors, and also a level above which all identified errors will be reported to the Audit Committee.

We expect to set a materiality threshold at 2% of Gross Revenue Expenditure.

Based on the audited 2017/18 statement of accounts we anticipate the overall materiality for the year ending 31 March 2019 to be in the region of £9.5m. After setting initial materiality, we continue to monitor materiality throughout the audit to ensure that it is set at an appropriate level.

Misstatements

We aggregate misstatements identified during the audit that are other than clearly trivial. We set a level of triviality for individual errors identified (a reporting threshold) for reporting to the Audit Committee that is consistent with the level of triviality that we consider would not need to be accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements. Based on our preliminary assessment of overall materiality, our proposed triviality threshold is £300k based on the expected threshold set by the NAO for reporting on Whole of Government Accounts returns.

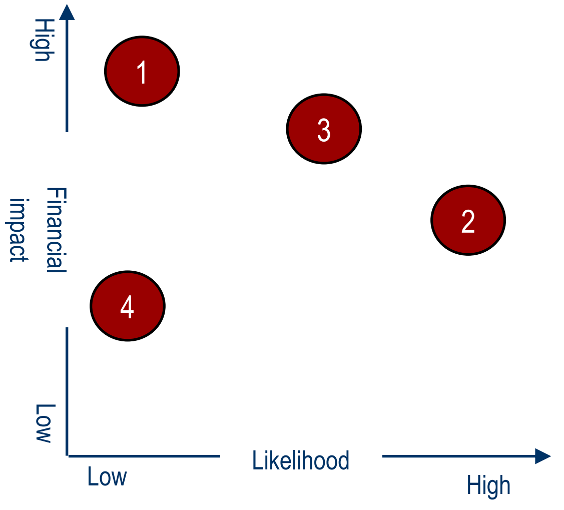
If you have any queries about this please do not hesitate to raise these with Karen Murray.

5. SIGNIFICANT RISKS AND KEY JUDGEMENT AREAS AND ENHANCED RISKS

Following the risk assessment approach discussed in section 3 of this document, we have identified relevant risks to the audit of your financial statements. The risks that we identify are categorised as significant, enhanced or standard, as defined below:

Significant risk	A significant risk is an identified and assessed risk of material misstatement that, in the auditor's judgment, requires special audit consideration. For any significant risk, the auditor shall obtain an understanding of the entity's controls, including control activities relevant to that risk.
Enhanced risk	An enhanced risk is an area of higher assessed risk of material misstatement ('RMM') at audit assertion level other than a significant risk. Enhanced risks incorporate but may not be limited to: • key areas of management judgement, including accounting estimates which are material but are not considered to give rise to a significant risk of material misstatement; and • other audit assertion risks arising from significant events or transactions that occurred during the period.
Standard risk	This is related to relatively routine, non-complex transactions that tend to be subject to systematic processing and require little management judgement. Although it is considered that there is a risk of material misstatement (RMM), there are no elevated or special factors related to the nature, the likely magnitude of the potential misstatements or the likelihood of the risk occurring.

The summary risk assessment, illustrated in the audit risk continuum below, highlights those risks which we deem to be significant.. We have summarised our audit response to these risks on the next page.



	Risk
1	Management override of control
2	Property, plant and equipment valuation
3	Defined benefit liability valuation
4	Fraudulent revenue recognition (rebutted)

5. SIGNIFICANT RISKS AND KEY JUDGEMENT AREAS AND ENHANCED RISKS (CONTINUED)

We provide more detail on the identified risks and our testing approach with respect to significant risks in the table below. An audit is a dynamic process, should we change our view of risk or approach to address the identified risks during the course of our audit, we will report this to the Audit Panel.

Significant risks

	Description of risk	Planned response
1	**Management override of controls** Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.	We plan to address the risk through performing audit procedures that cover a range of areas, including: • Material accounting estimates • Journal entries, focussing on those that we determine to contain certain risk characteristics; and • Any significant transactions outside the normal course of business or otherwise unusual.
2	**Property (land and buildings) valuation** The Council's accounts contain material balances and disclosures relating to its holding of property, plant and equipment (PPE), with the majority of property assets required to be carried at valuation. Due to the high degree of estimation uncertainty associated with these valuations especially within land and buildings, we have determined there is a significant risk in this area.	We will carry out a range of procedures designed to address the risk. These will include: • Assessing the skill, competence and experience of the Council's external valuer; • Reviewing the instructions issued to the external valuer by management to ensure they comply with the Code requirements; • Consider whether the overall revaluation methodology used by the Council valuer is in line with industry practice, social housing statutory guidance, the CIPFA Code of Practice and the Council's accounting policies; • Understanding the process followed by management to seek assurance that any land and buildings assets not revalued at 31 March 2019 are not materially misstated; • Assess the movement in market indices between the revaluation dates and the year end to determine whether there have been material movements over that time; • Testing the valuation on a sample of properties. • Test a sample of items of capital expenditure in 2018/19 to confirm that the additions are appropriately valued in the financial statements.

5. SIGNIFICANT RISKS AND KEY JUDGEMENT AREAS AND ENHANCED RISKS (CONTINUED)

Significant risks (continued)

	Description of risk	Planned response
3	**Defined benefit liability valuation** The Council's accounts contain material liabilities relating to the local government pension scheme administered by the Greater Manchester Pension Fund (GMPF). The Council replies upon an actuary, Hymans Robertson to provide an annual valuation of these liabilities in line with the requirements of IAS 19 Employee Benefits. Due to the high degree of estimation uncertainty associated with this valuation, we have determined there is a significant risk in this area.	We will carry out a range of procedures designed to address the risk. These will include: • Corresponding with the GMPF auditor to gain assurance on their audit of the fund; • Assessing the skill, competence and experience of the Fund's actuary, Hymans Robertson including a review of the actuary by our actuarial expert PWC; • Challenging the reasonableness of the assumptions used by the actuary as part of the annual IAS 19 valuation; and • Carrying out a range of substantive procedures on relevant information and cash flows used by the actuary as part of the annual IAS 19 valuation.
4	**Fraudulent revenue recognition** We do not consider this to be a significant risk for Tameside Metropolitan Borough Council as the majority of Council income comes from local taxes, grants and fees and charges. These are predictable and less prone to fraudulent manipulation by a material amount. Also management is not incentivised to boost income and we consider ethical standards at the council to be high. We therefore rebut this risk and do not incorporate specific risk procedures over and above our standard fraud procedures to address the risk of fraudulent revenue recognition.	We plan to establish and document a detailed understanding of revenue sources to support the rebuttal of the fraudulent revenue recognition risk. Revenue sources are tested through our standard audit processes. This includes income from Council Tax, Non-domestic rates and grants. We recognise that income from fees and charges is more susceptible to management input so we will carry out more detailed sample testing, including cut-off testing addressing the various sources of fees and charges. If during our audit we identify any material revenue streams which we consider may present a material risk of fraudulent revenue recognition, we will revisit the rebuttal and update management and the Audit Panel of any additional audit procedures required.

Other key areas of management judgement, key audit matters and enhanced risks

	Description of risk	Planned response
5	**Valuation of shareholding in Manchester Airport** The valuation of the Council's shareholding in the Airport involves judgement as it is not publicly traded.	We will review the work of BDO as management's expert used to value the shares held in the Airport and ensure the valuation is properly recorded in the accounts.
6	**Valuation of Tameside One building** The Council's Balance Sheet will include the Tameside One building. Estimation is used in the valuation of the site at the year end.	We will ensure that the Tameside One building is correctly valued and accounted for in the 31 March 2019 Balance Sheet.

6. VALUE FOR MONEY WORK

Our approach to value for money work

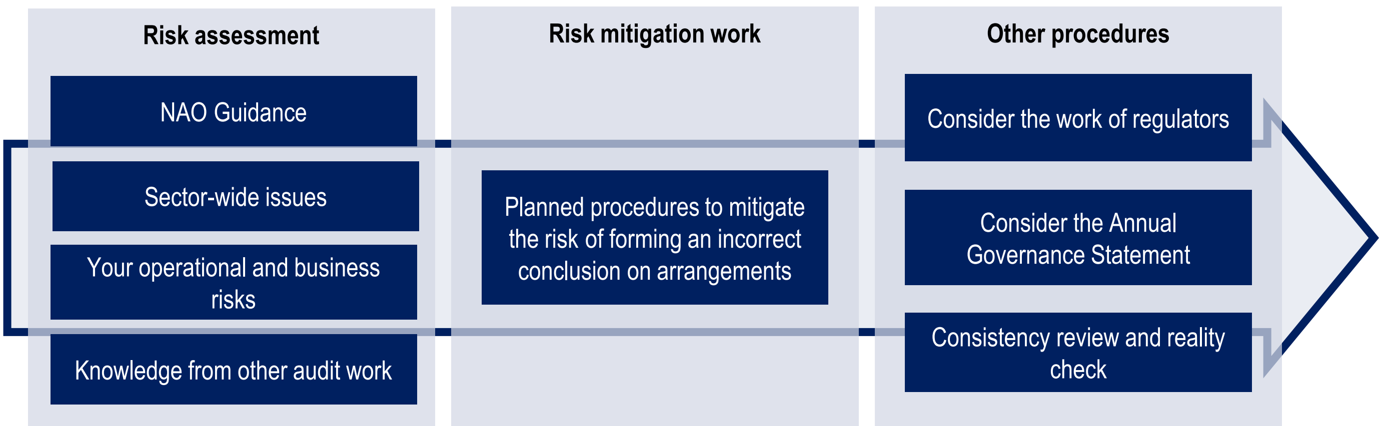
We are required to form a conclusion as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out, and sets out the criterion and sub-criteria that we are required to consider.

The overall criterion is that, ‘in all significant respects, the Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.’

To assist auditors in reaching a conclusion on this overall criterion, the following sub-criteria are set out by the NAO:

- informed decision making;
- sustainable resource deployment; and
- working with partners and other third parties.

A summary of the work we undertake is provided below.



Significant value for money risks

The NAO’s guidance requires us to carry out work at the planning stage to identify whether or not a Value for Money (VFM) exists. Risk, in the context of our VFM work, is the risk that we come to an incorrect conclusion rather than the risk of the arrangements in place at the Council being inadequate. As outlined above, we draw on our deep understanding of the Council and its partners, the local and national economy and wider knowledge of the public sector.

For the 2018/19 financial year, we have identified the following significant risks to our VFM work:

Description of significant risk	Planned response
1. Inadequate Ofsted rating Ofsted rated the Council’s Children’s Services as ‘inadequate’ in December 2016 and the safeguarding board as ‘requires improvement’. Key areas of concern included the backlog of cases, leadership, management and governance. The Council now has an established Improvement Board and is working with partners to progress with the Improvement Plan. External scrutiny, support and challenge from Stockport MBC as Improvement Partner, from the DfE Intervention Advisor, from Ofsted, and from peer consultation with other local authorities is reversing the earlier slow progress. The VFM risk relates to our gaining a full understanding of the interventions made by the Council to address the original concerns raised by OFSTED. The full extent of the improvement will not be known until OFSTED carries out a full re-inspection to reassess the rating.	We will review the progress made by the Council to address the concerns raised by Ofsted. NAO sub criteria: • Informed decision making

6. VALUE FOR MONEY WORK (CONTINUED)

Description of significant risk	Planned response
2. Care Together The Care Together Programme and the creation of an integrated system of health and social care brings together Tameside and Glossop Clinical Commissioning Group (CCG), Tameside Metropolitan Borough Council and Tameside and Glossop Integrated Care NHS Foundation Trust to reform health and social care services to improve the health outcomes of residents and reduce health inequalities. Resources were pooled into a single Integrated Commissioning Fund (ICF) underpinned by a financial framework which became operational on 1 April 2016. The ICF enables single commissioning arrangements for healthcare with decisions made at a single Strategic Commissioning Board. The Council and CCG commenced reporting on the total of all resource available to the Council and CCG in 2018/19 as approved at full Council on 21 May 2018. The single budget is now reported monthly to the Strategic Commissioning Board and Executive Cabinet The ICF is made up of a pooled budget, aligned services agreement and in-collaboration services agreement. The 2018/19 ICF Strategic Financial Plan is for net expenditure of £580.344m, of which £186.514m (32%) is contributed by the Council.	We will gain an understanding of the governance arrangements and the decision making framework for the Care Together programme. This will include understanding the financial impact for the Council. NAO sub criteria: • Informed decision making • Sustainable resource deployment

7. FEES FOR AUDIT AND OTHER SERVICES

Fees for work as the Council's appointed auditor

At this stage of the audit we are not planning any divergence from the scale fees set by PSAA.

Service	2017/18 fee	2018/19 fee
Code audit work	£105,017	£80,863

Fees for non-PSAA work

We have not been asked by the Council to undertake any non-audit work outside of the scope of the PSAA terms of appointment.

Before agreeing to undertake any such additional work we consider whether there are any actual, potential or perceived threats to our independence. Further information about our responsibilities in relation to independence is provided in section 8.

8. OUR COMMITMENT TO INDEPENDENCE

We are committed to independence and are required by the Financial Reporting Council to confirm to you at least annually, in writing, that we comply with the Financial Reporting Council's Ethical Standard. In addition, we communicate any matters or relationship which we believe may have a bearing on our independence or the objectivity of the audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities creating any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place which are designed to ensure that we carry out our work with integrity, objectivity and independence. These policies include:

- all partners and staff are required to complete an annual independence declaration;
- all new partners and staff are required to complete an independence confirmation and also complete computer-based ethical training;
- rotation policies covering audit engagement partners and other key members of the audit team;
- use by managers and partners of our client and engagement acceptance system which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this document, that the engagement team and others in the firm as appropriate, and Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence please discuss these with Karen Murray in the first instance.

Prior to the provision of any non-audit services Karen Murray will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our auditor independence.

APPENDIX A – KEY COMMUNICATION POINTS

ISA (UK) 260 ‘Communication with Those Charged with Governance’, ISA (UK) 265 ‘Communicating Deficiencies In Internal Control To Those Charged With Governance And Management’ and other ISAs (UK) specifically require us to communicate the following:

Required communication	Audit Strategy Memorandum	Audit Completion Report
Our responsibilities in relation to the audit of the financial statements and our wider responsibilities	✓	
Planned scope and timing of the audit	✓	
Significant audit risks and areas of management judgement	✓	
Our commitment to independence	✓	✓
Responsibilities for preventing and detecting errors	✓	
Materiality and misstatements	✓	✓
Fees for audit and other services	✓	
Significant deficiencies in internal control		✓
Significant findings from the audit		✓
Significant matters discussed with management		✓
Our conclusions on the significant audit risks and areas of management judgement		✓
Summary of misstatements		✓
Management representation letter		✓
Our proposed draft audit report		✓

APPENDIX B – FORTHCOMING ACCOUNTING AND OTHER ISSUES

Changes relevant to 2018/19

IFRS 9 Financial Instruments - the standard replaces IAS 39 and introduces significant changes to the recognition and measurement of the Council's financial instruments, particularly its financial assets.

Although the accounting changes may be complex and may require the reclassification of some instruments, it is likely that the Council will continue to measure the majority of its financial assets at amortised cost.

For Councils that hold instruments that will be required to be measured at fair value under the new standard, there may be instances where changes in these fair values are recognised immediately and impact on the general fund. At this stage it is unclear whether statutory provisions, over and above those already in place, will be put in place to mitigate the impact of these fair value movements on the Council's general fund balance.

IFRS 15 Revenue from Contracts with Customers - the 2018/19 Code also applies the requirements of IFRS 15, but it is unlikely that this will have significant implications for most local authorities.

There are no other significant changes to the Code of Practice on Local Authority Accounting (the Code) for 2018/19.

Changes in future years

Accounting standard	Year of application	Implications
IFRS 16 – Leases	2020/21	The new leasing standard was originally to adopted by the Code for the 2019/20 financial year but has since been delayed until 2020/21. IFRS 16 will replace the existing leasing standard, IAS 17, and will introduce significant changes, particularly for lessees. The requirements for lessors will be largely unchanged from the position in IAS 17. Lessees will need to recognise assets and liabilities for all leases (except short-life or low-value leases) as the distinction between operating leases and finance leases is removed. The introduction of this standard is likely to lead to significant work being required in order to identify all leases to which the Council (and its schools) are party to.

APPENDIX C – MAZARS' CLIENT SERVICE COMMITMENT

We are here because of our clients; serving them in the best way we can is part of our DNA. We operate a Code of Conduct which drives our client service commitment in all areas, as set out below.