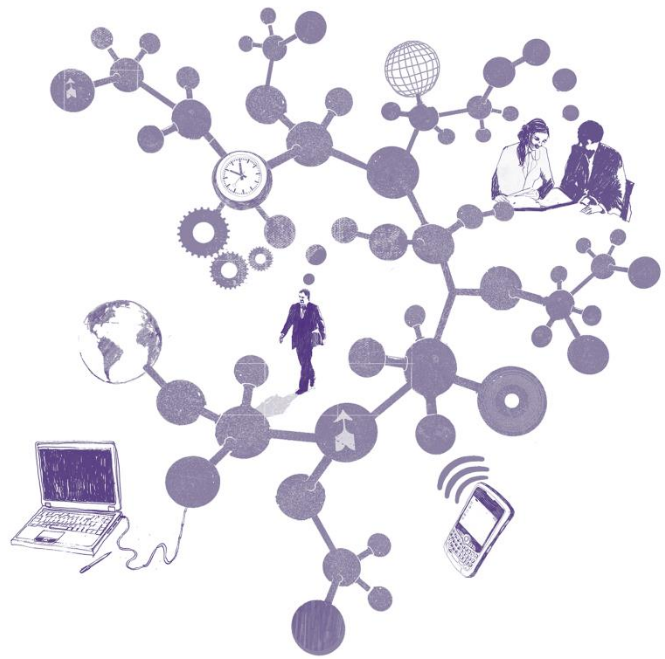
The Annual Audit Letter for Cheshire East Council

Year ended 31 March 2017

October 2017



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Executive summary

Purpose of this letter

Our Annual Audit Letter (Letter) summarises the key findings arising from the work we have carried out at Cheshire East Council (the Council) for the year ended 31 March 2017.

This Letter provides a commentary on the results of our work to the Council and its external stakeholders, and highlights issues we wish to draw to the attention of the public. In preparing this letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice (the Code) and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'.

We reported the detailed findings from our audit work to the Council's Audit and Governance Committee (as those charged with governance) in our Audit Findings Report on 28 September 2017.

Our responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK and Ireland) (ISAs) and other guidance issued by the NAO.

Our work

Financial statements opinion

We gave an unqualified opinion on the Council's financial statements on 28 September 2017.

Value for money conclusion

We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources during the year ended 31 March 2017 except for weaknesses in the Council's arrangements for acting in the public interest, which had been identified during the year by the Council's Internal Audit Service, which had investigated a number of historic weaknesses in the operation of the Council's decision-making arrangements. We therefore qualified our value for money conclusion in our audit opinion on 28 September 2017.

Delay in certification of completion of the audit

We have determined that we cannot formally conclude the audit and issue an audit certificate for the Council for the year ended 31 March 2017 in accordance with the requirements of the Act and the Code until:

- the Council has completed its internal disciplinary investigations into a number of its chief officers
- we have completed our consideration of an objection brought to our attention by a local authority elector under Section 27 of the Act.

Use of additional powers and duties

We are required under the Act to give electors the opportunity to raise questions about the Council's accounts and we consider and decide upon objections received in relation to the accounts. We are currently considering an objection to the Council's accounts relating to the payment of 'sleep-in payments' for care workers.

Whole of government accounts

We completed work on the Council's consolidation return following guidance issued by the NAO and issued an unqualified report on 29 September 2017.

Certification of grants

We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions, along with a number of other claims and returns. Our work on these claims is not yet complete and will be finalised by 30 November 2017. We will report the results of this work to the Audit and Governance Committee in our Annual Certification Letter.

Working with the Council

In addition to our statutory audit responsibilities, we have also undertaken the audits and related services of the Council's companies. The scale and nature of this work has been presented to and agreed with the Audit and Governance Committee within our Audit Findings Report for the year.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
October 2017

Audit of the accounts

Our audit approach

Materiality

In our audit of the Council's accounts, we applied the concept of materiality to determine the nature, timing and extent of our work, and to evaluate the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for our audit of the Council's accounts to be £12 million, which is 1.8% of the Council's gross revenue expenditure. We used this benchmark, as in our view, users of the Council's accounts are most interested in how it has spent the income it has raised from taxation and grants during the year.

We also set a lower level of specific materiality for related party transactions and officers' remuneration.

We set a lower threshold of £600,000, above which we reported errors to the Audit and Governance Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining enough evidence about the amounts and disclosures in the financial statements to give reasonable assurance they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- The Council's accounting policies are appropriate, have been consistently applied and adequately disclosed;
- significant accounting estimates made by the Council are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the narrative report and annual governance statement to check they are consistent with our understanding of the Council and with the accounts included in the Statement of Accounts on which we gave our opinion.

We carry out our audit in line with ISAs (UK and Ireland) and the NAO Code of Audit Practice. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the accounts – Cheshire East Council

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
The revenue cycle includes fraudulent transactions Under ISA (UK&I) 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.	Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Cheshire East Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because: • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of local authorities, including Cheshire East Council, mean that all forms of fraud are seen as unacceptable.	Our audit work on tax revenues, grant income and other revenues has not identified any issues in respect of revenue recognition that would require us to reassess this rebuttal.
Management over-ride of controls Under ISA (UK&I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.	• Review of accounting estimates, judgments and decisions made by management • Testing of journal entries • Review of unusual and significant transactions	Our audit work has not identified any evidence of management over-ride of controls. In particular the findings of our review of journal controls and testing of journal entries has not identified any significant issues. We set out later in this section of the report our work and findings on key accounting estimates and judgements.

Audit of the accounts – continued

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Valuation of property, plant and equipment The Council re-values its assets on a rolling basis over a five year period. The Code requires that the Council ensures that the carrying value at the balance sheet date is not materially different from current/ fair value. This valuation represents a significant estimate by management in the financial statements.	• Review of management's processes and assumptions for the calculation of the estimate • Review of the competence, expertise and objectivity of any management experts used • Review of the instructions issued to valuation experts and the scope of their work • Discussions with valuer about the basis on which the valuation is carried out and challenge of the key assumptions • Review and challenge of the information used by the valuer to ensure it is robust and consistent with our understanding • Testing of revaluations made during the year to ensure they are input correctly into the Council's asset register and financial statements • Evaluation of the assumptions made by management for those assets not revalued during the year and how management have satisfied themselves that these are not materially different to current/fair value.	Our audit work has not identified any significant issues in relation to the risk identified.
Valuation of pension fund net liability The Council's pension fund asset and liability as reflected in its balance sheet, represent significant estimates in the financial statements.	We identified and assessed the controls put in place by management to ensure that the pension fund liability is not materially misstated. We also: • reviewed the competence, expertise and objectivity of the actuary who carried out the Council's pension fund valuation • gained an understanding of the basis on which the IAS 19 valuation was carried out • carried out procedures to confirm the reasonableness of the actuarial assumptions made • reviewed the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary.	Our audit work has not identified any significant issues in relation to the risk identified in the audit plan.

Audit of the accounts – continued

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Changes to the presentation of local authority financial statements CIPFA has been working on the ‘Telling the Story’ project, for which the aim was to streamline the financial statements and improve accessibility to the user and this has resulted in changes to the 2016/17 CIPFA Code of Practice. The changes affect the presentation of income and expenditure in the financial statements and associated disclosure notes. A prior period adjustment (PPA) to restate the 2015/16 comparative figures is also required.	We have undertaken the following work in relation to this risk: • documented and evaluate the process for the recording the required financial reporting changes to the 2016/17 financial statements. • reviewed the re-classification of the Comprehensive Income and Expenditure Statement (CIES) comparatives to ensure that they are in line with the Authority’s internal reporting structure. • reviewed the appropriateness of the revised grouping of entries within the Movement In Reserves Statement (MIRS). • tested the classification of income and expenditure for 2016/17 recorded within the Cost of Services section of the CIES. • tested the completeness of income and expenditure by reviewing the reconciliation of the CIES to the general ledger. • tested the classification of income and expenditure reported within the new Expenditure and Funding Analysis (EFA) note to the financial statements. • reviewed the new disclosures within the 2016/17 financial statements to ensure compliance with the CIPFA Code of Practice.	Our audit review of the draft financial statements and the supporting working papers identified a number of errors in the preparation of the EFA, the detailed EFA note and the CIES: • EFA did not correctly report the movement to the general fund, which is also required to include earmarked reserves. This accounting treatment meant that entries relating to the transfers to and from earmarked reserves were not appropriately determined. • There should be a direct match between the adjustment between funding and accounting basis presented in the EFA, compared to the information presented in note 2 which supports the MIRS. • The underlying working papers omitted an adjustment to ensure that the impact of internal recharges was removed to avoid overstating income and expenditure These are significant revisions with implications throughout the EFA, the detailed EFA note and the CIES. These changes affect both the 2016/17 and 2015/16 comparatives and also impact upon the group accounts, the presentation of the prior period adjustment at note1c and the nature of expenses (segmental reporting) disclosure. The accounts have been amended and we have carried out additional work to audit the revised accounts. The overall deficit on provision of services remains unchanged. However the value of gross expenditure and gross income are each reduced by £28m (expenditure reduced from £754m to £726m and the value of income has reduced from £743m to £714m).

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice (the Code), following the guidance issued by the NAO in November 2016 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work.

The key risks we identified and the work we performed are set out in table 2 overleaf.

Overall conclusion

Based on the work we performed to address the significant risks we gave a qualified 'except for' conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in your use of resources.

The basis for this is that we noted that:

- The Council has put in place temporary senior management arrangements affecting the statutory posts of Chief Executive as Head of Paid Service, the S151 Officer, the Monitoring Officer, as a neutral act, whilst proper procedures are being followed for independent investigations.
- The Council is also investigating a number of weakness in the operation of its historic decision making arrangements. The findings of the reviews undertaken by Internal Audit into these matters are evidence of weaknesses in the Council's arrangements for acting in the public interest, through demonstrating and applying the principles and values of good governance to support informed decision making.

In reaching our conclusion we had regard to the information available to us at this time. However as there was an independent disciplinary investigation underway, this is one reason why we have not yet issued our certificate to bring the audit for 2016/17 to a formal close.

Recommendations for improvement

The Council was already addressing its historic arrangements and we saw the Internal Audit reports as providing a strong basis for future actions. The Council should therefore ensure it responds fully to Internal Audit's recently reported work.

Value for Money

Risk identified	Work carried out	Findings and conclusions
The Council has historically managed its finances well and has consistently achieved financial targets. It is forecasting a small overspend of 0.7% of £1.7m (at the time of the auditor’s risk assessment in March 2017) . This is affected by the impact of demand led services, such as the cost pressures experienced in Adults and Children's care services.	We reviewed the Council's understanding of the underlying issues and the actions being taken to mitigate these risks, through review of budgetary information and discussion with key officers.	The 2016/17 outturn was an overall overspend against budget of £1.7m (or 0.7%) in line with the position forecast earlier in the year. The Council reported that in line with national trends the position has been strongly influenced by an increase in caseload and costs associated with Children in Care and in particular from demand for Adult Social Care services. The most significant variance relates to Adult Social Care and Health with an overspend against budget of £5.3m. The Council has examined the underlying courses of this and reported on the implications of this in its outturn report. This highlights the pressure of £5.6m on its care cost budget arising from the growth of people receiving residential and nursing care and long term domiciliary care. The growth in the volume of clients, with increasingly complex care needs combined with the increase in fees adds to this challenge. Looking ahead, the Council approved its 2017/18 budget and medium term financial strategy in February 2017 in line with its usual planning timetable. The work throughout the year saw the Council tackle a projected funding gap of £94m over the period of the MTFS to 2019/20. In September this was reported to be mitigated by policy proposals and reduced to around £5m per year. The resultant approved MTFS reports a balance position for 2017/18 and is provisionally balanced for 2018/19 and 2019/20. Measures in 2017/18 included an increase in council tax of 4.99% (following on from the 3.75% increase in 2016/17 after a council tax freeze for five years), savings and efficiencies and a mix of specific policy proposals for each service. The funding position uses only a very small net contribution from earmarked reserves and an assumption that general reserves are not applied. The position in those later years of the MTFS continues to be monitored during 2017/18 as changes are implemented and further information and clarification on cost pressures is determined. The proposals for change include review of management and staffing structures, focus on corporate services, challenging discretionary services and review and challenge of contracts. Maximising development opportunities to prompt business rate growth, working with health partners and the third sector, rationalising assets, challenging the capital programme and seeking development opportunities to increase productivity are other measures being applied to tackle this challenge. We have obtained a sufficient understanding of the arrangements in place to inform our value for money conclusion, particularly with regard to the Council's arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and using appropriate cost and performance information to support informed decision making.

Value for Money - continued

Risk identified	Work carried out	Findings and conclusions
With underlying financial deficits in the NHS, and the new five-year Sustainability and Transformation Plan (STP) now submitted , we need to understand the arrangements that the Council has to contribute to this process and to mitigate the risks to its resources. Working with partners from different organisations and service areas with potentially conflicting priorities, and particular financial challenges means that projects are increasingly complex and high profile.	We gained an understanding of the role that the Council is playing to contribute to change in the local health economy. We discussed this with key officers and considered the project management and assurance frameworks established by the Council to establish how it is identifying, managing and monitoring these risks.	We have obtained a sufficient understanding of the arrangements in place to inform our value for money conclusion. In making this assessment we note the following aspects of the Council's arrangements: • Cheshire and Merseyside STP covers 12 Clinical Commissioning Groups (CCGs), 20 providers and nine local authorities, including Cheshire East Council. Cheshire East Council is part of the Cheshire and Wirral Local Delivery System (LDS), one of three that make up the STP. The Council is part of the local partnership of health and care organisations that have developed these plans. It's guidance and involvement is vital to help set the strategic direction of health and care service development locally. The Council is represented on the STP working group, and so has engaged in this process to influence, inform and seek to mitigate the risks that may arise from the developments. • The Council also has a scrutiny role, democratically representing its population in reviewing plans, through Health and Wellbeing Boards and through Health Overview and Scrutiny Committees. In November 2016/17, the Health and Wellbeing Board made their observations on the STP, highlighted the need for further detail and for a programmed approach in respect of social care which was not factored into the current STP. • The LDS builds on established transformation programmes which for Cheshire East Council include Caring Together (West) and Connecting Care(South). As established programmes these have mechanisms in place for communication and decision making but the governance arrangements for the wider STP and LDS continue to be developed. A Membership Agreement for the STP and a Memorandum of Understanding for the LDS are drafted for consideration by partners but the Council has not signed up to these. • With a reported funding gap of £908m in NHS finances by 2020 – 2021 if nothing changes, the STP highlights the significant service and financial challenges, across the region. The scale of change across the health and social care economy is one of major transformation which requires strategic direction, leadership and accountability if the benefits are to be realised. In 2016/17, the Council have contributed to the process, and reflected on the risks to its own services and how to mitigate these – but the engagement in future will remain critical if the Council are to effectively inform and influence the further development and implementation of the STP plans. Overall this supports the assertion that the Council has proper arrangements for working effectively with its partners as part of the steps towards the sustainability of adult health and social care services.

Value for Money - continued

Risk identified	Work carried out	Findings and conclusions
The Council commissions services from a range of different delivery models, including an increasing number of companies, the leisure trust and a return to shared services. The Council's arrangements to monitor the performance and governance of these 'alternative service delivery vehicles' remains important to the effective delivery of its objectives.	We discussed with key officers and reviewed the Council's project management and risk assurance frameworks to consider how these are developed to keep pace with the further changes in the Council's operations.	The Council's arrangements for the management of performance, finance, programmes and contracts contribute to the upholding of key elements of governance arrangements within its wider service providers. The number of ASDVs has increased with the inclusion of skills and growth company. The governance arrangements already in place for the other wholly owned companies are extended to this company. There is a governance framework in place, that continues to operate throughout 2016/17. Throughout the year, CERF has continued to provide a forum to receive presentations on the financial and operational performance of each company and provides scrutiny and challenge. The Council recognises that there is more that CERF can do to enhance the company structure, and add value to the existing operations through "encouraging and supporting the ASDVs in maintaining, improving and growing their business in a sustainable manner...". A review of CERF is under way to: - review the effectiveness and appropriateness of the governance arrangements for the WOCs; - clarify responsibilities between the commissioning functions within the Council and CERF as the parent company; - clarify the expectations of CERF as a company in its own right and as the bolding company at the head of a group. Following on from the decision reached in 2015/16 to bring the joint venture operation to an end, the Councils have worked to transfer transactional and ICT services back to in house shared service hosted by the Cheshire East and CWAC Council and to implement new working arrangements. Throughout this transition stage, progress has been reported to the Shared Services Joint Committee. These reports have providing Members with information on how the shared services have delivered their key objectives in areas including: financial performance; business continuity; development of a new target operating model; management restructure; strategic business plan; services and payment mechanism. The Councils have also considered the lessens that could be learnt and how this could be used to support any ASDV models going forward. The learning points highlighted the importance of robust and commercially focussed business cases, underpinned by realistic expectations and recognising the different skills that are needed to operate effectively in a commercial environment. We have obtained a sufficient understanding of the arrangements in place to inform our value for money conclusion, particularly with regard to the Council's arrangements for working effectively with third parties to deliver strategic priorities, managing risks effectively and maintaining a sound system of internal control.

Value for Money - continued

Risk identified	Work carried out	Findings and conclusions
The Council's progress in maximising the benefits of HS2 and other major infrastructure initiatives and the way in which the Council is engaging with partners in the Northern Gateway Development Zone is an area that is of public interest. On the basis that we don't know much about these developments, this is highlighted as a significant risk in order that we can be assured that the Council has appropriate arrangements in place.	We discussed with key officers and reviewed any documents to assess the Council's approach to this engagement.	The Council is a part of the Northern Gateway Partnership, which is an economic partnership between seven local authorities and two Local Enterprise Partnerships. Cheshire East Council has the additional role of accountable body and is providing project management support to drive the development of the joint HS2 Growth Strategy. The objective for the Council is to deliver sustainable plan led growth in the Borough on the back of HS2 investment at Crewe. The report to cabinet in February 2017 provided members with an update on the progress to date and highlighted the work underway in order to deliver a comprehensive Growth Strategy in spring 2017. The work of the partnership, and the Council's engagement in that, is key to ensure that the wider benefits of growth in employment, housing, retail and leisure may be realised as the project moves from its planning phase to delivery. We have obtained a sufficient understanding of the arrangements in place to inform our value for money conclusion, particularly with regard to the Council's arrangements for working effectively with third parties to deliver strategic priorities, managing risks effectively and maintaining a sound system of internal control.

Value for Money - continued

<table>
<tr><th>Risk identified</th><th>Work carried out</th><th>Findings and conclusions</th></tr>
<tr><td>In April 2017 the Council put temporary senior management arrangements in place affecting the statutory posts of Chief Executive as Head of Paid Service, the S151 Officer, the Monitoring Officer resulting in:
• the appointment of the Executive Director for People and Deputy Chief Executive as Acting Chief Executive
• the appointment of an interim Director of Finance and Procurement (Section 151 Officer)
• the appointment of an Acting Director of Legal Services (Monitoring Officer).

Information coming to the auditor's attention after 31 March is relevant to the auditor's conclusion in so far as it informs our understanding of the arrangements in place during the year.

The circumstances behind each of these appointments differ. However the matters that give rise to this course of action suggest signs of fundamental governance issues during the period of audit.</td><td>We note that:
• there is an active police investigation underway. As a result, any investigation relating to the Chief Operating Officer is deferred. As a protective measure, responsibilities relating to finance, procurement and internal audit are transferred to the Interim Director of Finance and Procurement
• proper procedures are being followed for the independent investigation regarding the Chief Executive and the Director of Legal Services, who are suspended as a neutral act.

It is important that our audit considerations do not disturb these proper processes from being followed.

Officers are currently working with us to provide the evidence we need to issue our VFM conclusion.</td><td>Officers updated us on developments during the latter stages of the audit. As both the police investigation and internal disciplinary investigations are ongoing, they have not been evaluated for the purposes of our VFM conclusion. However, in addition to these investigations, a number of new matters were identified and investigated by Internal Audit. The results of Internal Audit's work are sufficient evidence of weaknesses in the Council's governance arrangements for us to qualify our VFM conclusion on the basis of weaknesses in the Council's arrangements for acting in the public interest. As such, we concluded that the Council's arrangements for demonstrating and applying the principles and values of good governance to support informed decision-making were inadequate.</td></tr>
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Appendix A: Reports issued and fees

We confirm below our final fees charged for the audit and **provision of non-audit services**.

Fees

	Proposed fee £	Actual fees £	2015/16 fees £
Statutory audit of Cheshire East Council	154,590	160,137	154,590
Audit of subsidiary companies	52,250	52,250	54,800
Housing Benefit Grant Certification	24,375	24,375	16,608
Total fees (excluding VAT)	**231,215**	**236,762**	**225,998**

The proposed fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA), apart from an agreed variation of £5,547 to support the ongoing police investigation.

Reports issued

Report	Date issued
Audit Plan	8 March 2017
Audit Findings Report	15 September 2017
Annual Audit Letter	20 October 2017

Fees for other services

Service	Fees £
Audit related services:	
Reasonable assurance report for teachers pension return (November 2016)	4,800
Reasonable assurance report for Local Authority Major Transport Scheme (November 2016)	5,000
Non audit related services:	
Employment taxes helpline service to January 2017	2,833
CFO Insights, 3 year subscription from 2017/18	27,000
Additional services provided to the Cheshire East Companies:	
• Tax compliance services for 5 of the wholly owned companies (work relating to 2016/17 but carried out during 2017/18)	8,590
• Tax compliance service for CoSocius (work relating to 2015/16 but carried out during 2016/17)	1,435
• VAT work for Orbitas – (work carried out during 2016/17)	4,000
• Liquidation work relating to Cosocius:	
• work carried out in 2016/17	6,593
• work carried out in 2017/18	1,893

Non- audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table above summarises all other services which were identified.

- We have considered whether other services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place, as reported in our Audit Findings Report and in the following tables.

Independence and other services

We have considered whether other services might be perceived as a threat to our independence as the Group's auditor and have ensured that appropriate safeguards are put in place. We obtained approval from PSAA Ltd to carry out the work in 2017/18, as this work brings the total sum charged in respect of non audit services work to a total that is above the reporting threshold.

In each case we have considered the possible threats to our independence in respect of self-interest, self review, management, advocacy, familiarity and intimidation. We conclude that no threats exist and thus no safeguards are required.

	Service provided to	Fees	Threat and Safeguard?	Comment
Audit related services				
Reasonable assurance report for teachers pension return	Cheshire East Council	4,800	No threat	These pieces of work are each connected to the audit of the financial statements and so it is appropriate that this is carried out by the audit engagement team.
Reasonable assurance report for Local Authority Major Transport Scheme	Cheshire East Council	5,000	No threat	
Non Audit Services				
Employment taxes helpline service	Cheshire East Council	2,833	No threat	Helpline service provide to HR department to January 2017 for ad hoc queries relating to employment taxation.
CFO Insights	Cheshire East Council	27,000	No threat	Nature of the service presents no threat to independence as CFO Insights is an online software service offering that enables users to rapidly analyse, segment and visualise all the key data relating to the financial performance of a local authority. The financial data, revenue outturn and budget data is provided by CIPFA and the socio-economic data is drawn from Place Analytics. The data is contextualised using a range of socio-economic indicators enabling the LA to understand their relative performance.
	TOTAL	£39,633		

Independence and other services

	Service provided to	Fees	Threat and Safeguard?	Comment
Non Audit Services (continued)				
Tax compliance services	• Engine of the North Limited • ANSA Environmental Services Limited • Orbitas Bereavement Services Limited • Transport Service Solutions Limited • Civicance Limited	Total of 8,590	No threat	The work performed in the 2017/18 financial year is to complete a service that was commenced under previous ethical regulations, as allowed by the transitional rules of NAO Auditor Guidance Note 01. This service will not be provided in future. The tax team is independent of the audit team
Tax compliance service (work in respect of 2015/16)	CoSocius	1,435	No threat	This service will not be provided in future. The tax team is independent of the audit team
VAT work for Orbitas concluding 2016/17	Orbitas Bereavement Services Limited	4,000	No threat	Providing information to assist the company in its response to the HMRC challenge.
Liquidation work relating to Cosocius – two phases spanning 2016/17 and 2017/18	Cosocius – joint venture company of Cheshire East Council and Cheshire West and Chester Council	8,486	No threat	The work performed in 2017/18 financial year is to complete a service that was commenced under previous ethical regulations, as allowed by the transitional rules of NAO Auditor Guidance Note 01
	TOTAL	£22,511		

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