

# Audit Completion Report

North Kesteven District Council – Year  
ended 31 March 2022

November 2022



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2 November 2022

Dear Committee Members

## **Audit Completion Report – Year ended 31 March 2022**

We are pleased to present our Audit Completion Report for the year ended 31 March 2022. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 16 May 2022. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 07795 506 766.

Yours faithfully

Mark Dalton

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# 01

Section 01:

**Executive summary**

# 1. Executive summary

## Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2021/22 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management override of controls;
- Valuation of net defined benefit liability; and
- Valuation of land and buildings, group investment properties and assets held for sale.

## Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; unadjusted misstatements total £555k.

## Value for Money

Section 7 outlines our work on the Council's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

## Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2022.

At the time of preparing this report, a number of matters remain outstanding as outlined in section 2. We will provide an update to you in relation to these outstanding matters through issuance of a follow up letter.

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:



### Audit opinion

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.



### Value for Money

Our Value for Money work remains in progress and the results of this will be reported within our Auditor's Annual Report later in the year. At this stage we have not identified any significant weaknesses in relation to the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. Further detail on our Value for Money work is provided in section 7 of this report.



### Whole of Government Accounts (WGA)

We have not yet received group instructions from the National Audit Office in respect of our work on the Council's WGA submission. We are unable to commence our work in this area until such instructions have been received.



### Wider powers

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 to consider any objection made to the accounts. No such correspondence from electors has been received.




# 02




Section 02:

**Status of the audit**

# 2. Status of the audit

Our work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the outstanding matters detailed below.

Audit area	Status	Description of the outstanding matters
Related Party Transactions		We are still awaiting 12 Member's declaration of interest forms to be returned as evidence to support the Council's related party disclosures.
Pensions		Part of our assurance over the net pensions liability is derived from specified procedures commissioned from the external auditors of the Lincolnshire Pension Fund. We are yet to receive their final report for our consideration. We provide more information on this matter at page 13.
Audit Quality Control and Completion Procedures		Our audit work is undergoing final stages of review by the Engagement Lead and further quality and compliance checks. In addition, there are residual procedures to complete, including updating post balance sheet event considerations to the point of issuing the opinion, obtaining final management representations and agreeing adjustments to the final set of accounts.
Whole of Government Accounts (WGA)		NAO Group Instructions for local authority audits are not yet available and WGA returns and audit certificates cannot be issued at the present time. We provide more information on this matter at page 15.

-  Likely to result in material adjustment or significant change to disclosures within the financial statements.
-  Potential to result in material adjustment or significant change to disclosures within the financial statements.
-  Not considered likely to result in material adjustment or change to disclosures within the financial statements.

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We will provide the Audit Committee with an update in relation to these outstanding matters in a follow-up letter, prior to signing the auditor's report.



# 03

## Section 03: **Audit approach**



# 3. Audit approach

## Changes to our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum dated March 2022. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

## Materiality

Our provisional materiality at the planning stage of the audit, based on the prior year's audited financial statements, was set at £1,275k for the Group and £1,250k for the Council's single entity financial statements, using a benchmark of 2% of gross operating expenditure. Our final assessment of materiality, based on the draft current year financial statements is £1,320k for the Group and £1,315k for the Council's single entity financial statements, using approximately the same benchmark.

## Use of experts

In our Audit Strategy Memorandum we identified the following experts planned to be used by management in preparing the financial statements, and by ourselves in carrying out our audit. There are no changes to the planned approach or matters arising to report.

Item of account	Management's expert	Our expert
Property, plant and equipment	Kier Business Services <i>The Council's external valuer</i>	Not applicable
Pensions	Barnett Waddingham <i>Actuary for Lincolnshire Pension Fund</i>	PwC LLP <i>Consulting actuary appointed by the NAO</i>
Financial instrument disclosures	Link Asset Services <i>Treasury management advisors</i>	Not applicable
Business rates appeals valuation	Inform CPI Ltd <i>The Council's rating specialist</i>	Not applicable

There are no reporting matters to highlight from our consideration of the work of experts.

## Service organisations

In our Audit Strategy Memorandum we identified the following relevant service organisations used by the Council and our planned audit approach. There are no changes to the planned approach or matters arising to report.

Items of account	Service organisation	Audit approach
Housing benefit expenditure (cost of services)	<b>City of Lincoln Council</b>  The housing benefit, council tax and business rate entries that form part of the Council's financial statements are material and are derived from the processing of recurring council tax, business rate and housing benefit transactions.	We planned to review the controls operating at the Council over these transactions to gain an understanding of the services provided by the service organisation.
Income from Council Tax (Collection Fund)		
Income from Business Ratepayers (Collection Fund)		We expected to be able to conclude that the Council has sufficient controls in place over the services provided by the revenues and benefits service and that we will be able to audit these transactions based on the records held at the Council.
Debtors (Housing benefit and Collection Fund)		
Creditors (Housing benefit and Collection Fund)	This revenues and benefits processing is undertaken and administered by City of Lincoln Council on behalf of the Council.	

There are no reporting matters to highlight from our consideration of the work of service organisations.







# 3. Audit approach

## Group audit approach

Our Audit Strategy memorandum provided details of our intended group audit approach, including our initial assessment of group materiality. The table below confirms the approach we have taken to auditing the Council's consolidated financial statements.

Group component	Approach adopted	Key points or other matters to report
North Kesteven District Council (parent)	●	The Mazars audit team undertook the full audit of the Council's accounts
Lafford Homes Ltd (subsidiary)	●	<p>Significant component, with assurance over most balances gained from analytical procedures supported by a review of the Council's consolidation processes.</p> <p>Due to the increased size of the subsidiary's investment property portfolio we were required to gain assurance over the valuation of these balances, and undertook specific audit procedures in relation to this.</p> <p>Our audit procedures identified a material misstatement in relation to these balances, which we report in Section 6, with an associated internal control recommendation reported in Section 5.</p>

- 
**Full audit**  
 Performance of an audit of the component's financial information prepared for group reporting purposes using component materiality
- 
**Audit of balances and/or disclosures**  
 Performance of an audit of specific balances and/or disclosures included in the component's financial information prepared for group reporting purposes, using component materiality
- 
**Specific audit procedures**  
 Performance of specific audit procedures on the component's financial information
- 
**Review procedures**  
 Review of the component's financial information prepared for group reporting purposes using the component materiality assigned

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# 04

## Section 04: **Significant findings**

# 4. Significant findings

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding other significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 14 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any further significant matters discussed with management; and
- any significant difficulties we experienced during the audit.

## Significant risks

As part of our planning procedures we considered the risks of material misstatement in the Council’s financial statements that required special audit consideration and reported these to you in our Audit Strategy Memorandum. Our risk assessment however is a continuous process and we regularly consider whether new significant risks have arisen and how we intend to respond to these risks. No new risks have been identified since we issued our Audit Strategy Memorandum.

Management override of controls	Description of the risk
	<p>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.</p>
	<p><b>How we addressed this risk</b></p>
	<p>We addressed this risk through performing audit work over:</p> <ul style="list-style-type: none"> <li>• Accounting estimates impacting amounts included in the financial statements;</li> <li>• Consideration of identified significant transactions outside the normal course of business; and</li> <li>• Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.</li> </ul>
	<p><b>Audit conclusion</b></p>
	<p>Our audit procedures have not identified any material errors or uncertainties in the financial statements, or other matters that we wish to bring to Members’ attention in relation to management override of controls.</p>



## 4. Significant findings

Net defined benefit liability valuation	Description of the risk
	<p>The defined benefit liability relating to the Local Government pension scheme represents a significant balance on the Council's balance sheet. The Council uses an actuary 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.</p>
	<p><b>How we addressed this risk</b></p>
	<p>To address this risk we have:</p> <ul style="list-style-type: none"> <li>Assessed the competency, objectivity and independence of the Lincolnshire Pension Fund's Actuary, Barnett Waddingham LLP;</li> <li>Liaised with the auditors of the Lincolnshire Pension Fund to gain assurance that the controls in place at the Pension Fund are operating effectively. This included the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS 19 valuation was complete and accurate;</li> <li>Reviewed the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This included comparing them to expected ranges, utilising information provided the consulting actuary engaged by the National Audit Office; and</li> <li>Agreed the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the Council's financial statements.</li> </ul>
	<p><b>Findings to date</b></p>
	<p>The procedures we have undertaken to date have not identified any material errors or uncertainties in the financial statements.</p>
	<p>Part of our assurance over the net pensions liability is derived from specified procedures commissioned from the external auditors of the Lincolnshire Pension Fund. We are yet to receive their report for our consideration.</p>
	<p>We will update the Audit Committee if any significant reporting issues emerge from this area.</p>
	<p>We are also aware of a movement in the Council's net pensions liability arising from changes in the underlying asset valuations of the Lincolnshire Pension Fund since the Council received its original IAS 19 accounting report. Management have commissioned an updated report to quantify the impact of these updated valuations and this shows a reduction to the Council's net liability of £555k. This non-material misstatement is reported in Section 6 as unadjusted.</p>

Valuation of land and buildings, group investment properties and assets held for sale	Description of the risk
	<p>The Council's accounts contain material balances and disclosures relating to its holding of land and buildings within the caption of property, plant and equipment, as well as investment properties at a group level and assets held for sale, with the majority required to be carried at valuation.</p>
	<p>The valuation of these assets is complex and is subject to a number of management assumptions and judgements.</p>
	<p>Due to the high degree of estimation uncertainty associated, we have determined there is a significant risk in this area.</p>
	<p><b>How we addressed this risk</b></p>
	<p>To address this risk we have:</p> <ul style="list-style-type: none"> <li>Assessed the Council's valuer's scope of work, qualifications, objectivity and independence to carry out the required programme of revaluations;</li> <li>Considered whether the overall revaluation methodologies used by the Council's valuer's are in line with industry practice, the CIPFA Code of Practice and the Council's accounting policies;</li> <li>Assessed whether valuation movements are in line with market expectations by considering valuation trends; and</li> <li>Assessed the approach that the Council adopts to ensure that assets that are not subject to revaluation in 2021/22 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Council's valuers.</li> </ul>
	<p><b>Audit conclusion</b></p>
	<p>Our audit procedures identified both material and non-material misstatements in relation to these balances, which we report in Section 6, with an associated internal control recommendation reported in Section 5.</p>

# 4. Significant findings

## Qualitative aspects of the Council's accounting practices

We have reviewed the Council's accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, appropriately tailored to the Council's circumstances.

Outline draft accounts were received from the Council on 10 June 2022 with a final set of published draft accounts being received on 29 July 2022. Whilst the outline accounts did enable audit work to commence on the planned date of 13 June 2022 the lack of a final published set of accounts for this visit meant that we could not complete all our audit procedures at this time.

We also note a marked deterioration in both the availability and standard of the Council's working papers produced to support the financial statements. We understand that this is as a result of staffing shortages and existing staff deployment on the implementation of a new ledger system, and we have confirmed that management do not expect this situation to re-occur in future years.

Due to these issues we have raised an associated internal control recommendation in Section 5.

## Significant matters discussed with management

Significant matters discussed with management during our audit and which had implications for our audit testing and reporting included:

- The Council's accounting treatment in respect of property, plant and equipment assets re-categorised during the year from assets under construction:

A requirement of the CIPFA Code is that assets, other than infrastructure, community assets and assets under construction, be carried at current value, and this treatment accords with that set out within the Council's own accounting policies.

As part of our work on other land and building assets we identified a small number of assets that were being carried at historic cost. We discussed this issue with management who subsequently sought revised valuations, resulting in a material misstatement that we report in Section 6.

- The requirement to align its group accounting policies in respect of its investment properties to those of the Council:

The CIPFA Code requires that group accounts be prepared using uniform accounting policies, and that the accounting policies of subsidiaries be aligned to those of the Council for the purposes of group accounts.

Our work on the Council's group accounts noted that the accounting policy of Lafford Homes in respect of the valuation of newly acquired or constructed investment properties diverged from those required by the Code and applicable to the Council. Whilst the Code requires all investment properties to be measured at fair value and be revalued annually the policy of Lafford Homes only required that investment properties be measured at fair value in the year following acquisition. We discussed this issue with management who subsequently sought revised valuations, resulting in a material misstatement that we report in Section 6.

## Significant difficulties during the audit

During the course of the audit we have had the full co-operation of management. The audit was again carried out remotely although, due to the issues noted above, whilst there were no significant difficulties in carrying out our normal audit procedures, some delays were encountered in obtaining the audit evidence required to complete the audit.

We continue to work with management to complete any remaining audit work and resolve audit queries and are grateful for the co-operation and support provided.



# 4. Significant findings

## Audit fees

As set out in our Audit Strategy Memorandum, we identified the need for a variation to the published scale fee to take account of several matters. Our current estimate, which remains broadly in line with those indicated within our Audit Strategy Memorandum, is set out below:

- Additional testing on Property, Plant & Equipment and Defined Benefit Pensions Schemes as a result of changes in regulatory expectations – £8,000.
- Additional testing as a result of the implementation of new auditing standards: ISA 220 (Revised): Quality control of an audit of financial statements; ISA 540 (Revised): Auditing accounting estimates and related disclosures; ISA570 (Revised) Going Concern; and ISA 600 (Revised): Specific considerations – audit of group financial statements – £2,800.
- Additional work as a result of the new Code of Audit Practice and VFM reporting – £9,000.
- Additional work in respect of the Council’s requirement to produce Group Accounts – £3,500.
- Additional work required as a result of the late availability of the Council’s published draft accounts and quality of supporting working papers - £4,000.

We will agree the final fee, and any further variations, with management prior to reporting to the Audit Committee.

## Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2021/22 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such questions or objections have been raised.

## Possible delay in the audit certificate

The issue of the Audit Certificate confirms that we have discharged all of our audit responsibilities and that the audit is formally ‘closed’. The Audit Certificate would normally be published in our Auditor’s Report on the Statement of Accounts. We expect to issue the audit report but delay the issue of the Audit Certificate until the following procedures are complete:

- Value for Money - We are yet to complete our work in respect of the Council's arrangements for the year ended 31 March 2022 and expect to report our findings in the 2021/22 Auditor’s Annual Report within 3 months of giving our audit opinion. At the time of preparing this report, we have not identified any significant weaknesses in the Council's arrangements that require us to make a recommendation.
- Whole of Government Accounts - The NAO has not yet issued its Group Instructions for local authority audits.

We will update the Audit Committee when more information is known but at this stage the draft Auditor’s Report at Appendix B assumes that we are not able to issue the Audit Certificate at this stage.



# 05

Section 05:

**Internal control recommendations**



# 5. Internal control recommendations

The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. In summary, the matters arising fall into the following categories:

Priority ranking	Description	Number of issues
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business strategic objectives. The recommendation should be taken into consideration by management immediately.	0
2 (medium)	In our view, there is a need to strengthen internal control or enhance business efficiency. The recommendations should be actioned in the near future.	3
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	0



# 5. Internal control recommendations

## Other deficiencies in internal control – Level 2

### Description of deficiency

#### Production of draft accounts and working papers

The availability of the Council’s draft accounts and the availability and quality of its supporting working papers have seen a deterioration over previous years.

### Potential effects

The lack of a complete set of draft accounts, including associated disclosures, for the start of the audit and poor quality working papers can lead to inefficiencies for both the Council and auditors, as staff time is required to investigate, discuss and resolve issues and may, in certain circumstances, lead to delays in the audit timescales.

### Recommendation

It is important that the Council takes the steps necessary to re-establish robust arrangements and staffing to support the 2022/23 year-end. Quality control procedures in respect of the accounts preparation process and supporting working papers need to be strengthened and the Council, in its closedown procedures for 2022/23, should include sufficient time for a robust quality control process to be implemented.

### Management response

Whilst the draft accounts were published ahead of the deadline an early audit date unfortunately meant the document was unavailable for the start of the audit - this was however agreed ahead of the audit. The Council recognises the implementation of it’s new Financial Management System has resulted in a reduction in the resource allocated to the closedown process and therefore a reduction in quality - this will be rectified moving forward. However an extended audit period has also exacerbated the issue with resources for the audit not expected to be required through September and October effecting the usual prompt response times.

### Description of deficiency

#### Valuation of assets re-categorised from assets under construction

Our review of the Council’s property, plant and equipment valuations identified a number of assets that were not subject to revaluation at the end of the accounting period and were reported on the basis of historical cost. This was not in accordance with the CIPFA Code and the Council’s accounting policy which states that such assets should be carried at ‘current value’.

### Potential effects

The Council is not fully complying with the requirements of current accounting standards and the CIPFA Code. This may lead to the incorrect values for property, plant and equipment being calculated and disclosed within the financial statements.

### Recommendation

The Council should review its approach to the valuation of property, plant and equipment to ensure this accords with the requirements of the CIPFA Code and the its own accounting policies.

### Management response

Adjustments have been made to ensure that all material items of Property, Plant and Equipment are held in the accounts at ‘current value’ as per the code. The Council annually reviews it’s Accounting Policies and recognises the need to ensure compliance with both the adopted policy and the code.



# 5. Internal control recommendations

## Other deficiencies in internal control – Level 2

### Description of deficiency

#### Alignment of Group Accounting Policies

The CIPFA Code requires group accounts to be prepared using uniform accounting policies and for the accounting policies of subsidiaries to be aligned with the policies of the reporting authority. Our testing has identified that the accounting policy of Lafford Homes with respect to investment properties does not require any newly constructed/acquired properties to be revalued until the year following, with assets being held at historical cost in the interim.

### Potential effects

The Council is not fully complying with the requirements of the CIPFA Code which requires investment properties to be carried at valuation. This may lead to the incorrect values for investment properties being calculated and disclosed within the financial statements.

### Recommendation

The Council should review its approach to the valuation of investment properties for Lafford Homes and ensure that its accounting policies are aligned with those of the Council, ensuring adherence to the requirements of the CIPFA Code.

### Management response

Adjustments have been made within the group accounts in relation to the valuation of investment properties ensuring adherence with the code. Accounting policies are reviewed annually and the Council recognises the requirement to amend its treatment of investment properties moving forward. Lafford Homes will also update its relevant policy to ensure they remain aligned.

## Follow up on previous internal control points

### Description of deficiency

#### Maintenance of property asset information

Our testing identified that for all of assets selected for review (three assets) that the Council was unable to support some of the information within its property asset database, specifically the floor areas of buildings. This information is used by the Council's external valuer in some of their valuations and it is essential that such information is supportable to ensure that accurate valuations can be undertaken and are reported at each year end.

### Potential effects

The Council's property valuations may be materially misstated within the financial statements as a result of inaccurate floor areas being used in valuations.

### Recommendation

The Council should ensure that it maintains complete and accurate records within its property asset database particularly in relation to floor areas used as part of the valuation process. It should be able to provide sufficient evidence to support these floor areas and ensure that this information is accurately reflected in the Council's external valuation report.

### 2021/22 update

As part of the 2021/22 valuations the valuer has been commissioned to undertake a full measured survey of all assets valued using a floor areas basis. These records are available to the Council.

# 06

Section 06:

## Summary of misstatements

## 6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £39,000 for the Council's single entity financial statements. The first table outlines the misstatements that were identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and does not currently plan to adjust.

The second table outlines the misstatements that have been adjusted by management during the course of the audit.

### Unadjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: BS – Net pension liability Cr: BS – Unusable reserves			555	(555)
Revision to IAS 19 liability following receipt of updated pension fund asset valuation information. This error also has consequential implications for the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, Note 18 in respect of Unusable Reserves and Note 29 in respect of Defined Benefit Pension Schemes.					
<b>Total unadjusted misstatements</b>		-	-	555	(555)

## 6. Summary of misstatements

### Adjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Group CIES – Investment properties Cr: Group BS – Investment property	1,715			(1,715)
Failure to revalue newly constructed/acquired Lafford Homes investment properties from historic to fair value. This error also has consequential implications for the Group Movement in Reserves Statement, the Group Cash Flow Statement, Note L1 in respect of the Group Expenditure and Funding Analysis, Note L2 in respect of the Group Cash Flow Note and Note L5 in respect of Investment Properties.					
2	Dr: CIES – Our communities Dr: CIES – Our economy Dr: BS – Unusable reserves Cr: MiRS – General fund – Adjustments between accounting basis & funding basis Cr: BS – Property, plant and equipment	854 542		1,821	(1,821)
Failure to revalue assets under construction re-classified during the year. This error also has consequential implications for the Cash Flow Statement, Note 7/7A in respect of the Expenditure and Funding Analysis, Note 8 in respect of Income and Expenditure Analysed by Nature, Note 9 in respect of Adjustments Between Accounting Basis and Funding Basis Under Regulations, Note 11 in respect of Property, Plant and Equipment, Note 18 in respect of Unusable Reserves and Note 19 in respect of Cashflow Operating Activities.					
3	Dr: CIES – HRA Dr: BS – Unusable reserves Cr: MiRS – HRA – Adjustments between accounting basis & funding basis Cr: BS – Property, plant and equipment	903		903	(903)
Identification of duplicate assets within the asset register. This error also has consequential implications for the Cash Flow Statement, Note 7/7A in respect of the Expenditure and Funding Analysis, Note 8 in respect of Income and Expenditure Analysed by Nature, Note 9 in respect of Adjustments Between Accounting Basis and Funding Basis Under Regulations, Note 11 in respect of Property, Plant and Equipment, Note 18 in respect of Unusable Reserves and Note 19 in respect of Cashflow Operating Activities.					
<b>Total adjusted misstatements</b>		<b>4,014</b>	<b>(2,299)</b>	<b>2,724</b>	<b>(4,439)</b>

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# 6. Summary of misstatements

## Disclosure amendments

In addition to the above numerical errors that relate directly to the primary statements or their related notes, our audit also identified a small number of errors and adjustments in relation to other disclosures. These have been discussed with management who have agreed to the amendments and include:

- Narrative Report : Incorrect analysis of capital expenditure in-year movements;
- Note 9 Adjustments Between Accounting Basis and Funding Basis Under Regulations : Incorrect analysis of in-year movements;
- Note 10 Earmarked Reserves : Incorrect disclosure of in-year movements;
- Note 13/32 : Financial instruments : Incorrect extraction of figures for financial instruments;
- Note 15 Cash and Cash Equivalents : Incorrect disclosure of overdrawn bank balances;
- Note 18 Capital adjustment account : Incorrect analysis of in-year movements;
- Note 20 Cashflow Investing Activities : Incorrect analysis of in-year movements;
- Note 25 Grant Income : Incorrect classification of grant receipts;
- Note 29 Defined Benefit Pension Schemes : Failure to net off unfunded elements from contributions and benefits paid; and
- Note H1.2 Asset Values : Incorrect extraction of figures .in respect of Assets Under Construction.



# 07

Section 07:  
**Value for Money**



# 7. Value for Money

## Approach to Value for Money

We are required to consider 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 reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** - How the Council plans and manages its resources to ensure it can continue to deliver its services.
- **Governance** - How the Council ensures that it makes informed decisions and properly manages its risks.
- **Improving economy, efficiency and effectiveness** - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

At the planning stage of the audit, we undertake work to understand the arrangements that the Council has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

The table overleaf outlines the risks of significant weaknesses in arrangements that we have identified, the risk-based procedures we have undertaken, and the results of our work.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the Council's arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. We intend to issue the Auditor's Annual Report in January 2023.

## Status of our work

We are yet to complete our work in respect of the Council's arrangements for the year ended 31 March 2022. At the time of preparing this report, we have not identified any significant weaknesses in arrangements that require us to make a recommendation, however we continue to undertake work on the Council's arrangements.

Our draft audit report at Appendix B outlines that we have not yet completed our work in relation to the Council's arrangements. As noted above, our commentary on the Council's arrangements will be provided in the Auditor's Annual Report in January 2023.



# Appendices

A: Draft management representation letter

B: Draft audit report

C: Independence

D: Other communications

# Appendix A: Draft management representation letter

Mazars LLP  
5<sup>th</sup> Floor  
3 Wellington Place  
Leeds  
LS1 4AP

xx November 2022

Dear Sirs

**North Kesteven District Council - audit for year ended 31 March 2022**

This representation letter is provided in connection with your audit of the financial statements of North Kesteven District Council (the Council and Group) for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) and applicable law.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

**My responsibility for the financial statements and accounting information**

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with applicable law and the Code.

**My responsibility to provide and disclose relevant information**

I have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to individuals within the Council and Group you determined it was necessary to contact in order to obtain audit evidence.



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# Appendix A: Draft management representation letter

I confirm as Director of Resources that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

### Accounting records

I confirm that all transactions undertaken by the Council and Group have been properly recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Council and committee meetings, have been made available to you.

### Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with the Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Council and Group's financial position, financial performance and cash flows.

### Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the Council and Group in making accounting estimates, including those measured at current or fair value, are reasonable.

I confirm that I am satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities for IAS19 disclosures are consistent with my knowledge. I confirm that all settlements and curtailments have been identified and properly accounted for. I confirm that all significant retirement benefits have been identified and properly accounted for (including any arrangements that are statutory, contractual or implicit in the employer's actions, that arise in the UK or overseas, that are funded or unfunded).

### Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.



# Appendix A: Draft management representation letter

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Council and Group have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code and applicable law.

### Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Council and Group has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

### Fraud and error

I acknowledge my responsibility as Director of Resources for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- All the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- All knowledge of fraud or suspected fraud affecting the Council and Group involving:
  - management and those charged with governance;
  - employees who have significant roles in internal control; and
  - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Council and Group's financial statements communicated by employees, former employees, analysts, regulators or others.



# Appendix A: Draft management representation letter

### Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed to you in accordance with the requirements of the Code and applicable law.

I have disclosed the identity of the Council and Group's related parties and all related party relationships and transactions of which I am aware.

### Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

### Charges on assets

All the Council and Group's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

### Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

### Subsequent events

I confirm all events subsequent to the date of the financial statements, and for which the Code and applicable law require adjustment or disclosure, have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

### Impacts of Russian Forces entering Ukraine

We confirm that we have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and that the disclosure in the Statement of Accounts fairly reflects that assessment.

### Covid-19

We confirm that we have carried out an assessment of the on-going impact of the Covid-19 Virus pandemic on the Council and Group, including the impact of mitigation measures and uncertainties, and that the disclosure in the Statement of Accounts fairly reflects that assessment.



# Appendix A: Draft management representation letter

### Brexit

We confirm that we have carried out an assessment of the potential impact of the United Kingdom leaving the European Union, including the impact of the Trade and Cooperation Agreement, and that the disclosure in the Statement of Accounts fairly reflects that assessment.

### Going concern

To the best of my knowledge there is nothing to indicate that the Council and Group will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

### Annual Governance Statement

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Council and Group's risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

### Narrative report

The disclosures within the Narrative Report fairly reflect my understanding of the Council and Group's financial and operating performance over the period covered by the financial statements.

### Unadjusted misstatements

I confirm that the effects of the uncorrected misstatements identified at the appendix to this letter are immaterial, both individually and in aggregate, to the financial statements as a whole.

Yours faithfully

Director of Resources



# Appendix B: Draft audit report

## Independent auditor’s report to the members of North Kesteven District Council

### Report on the audit of the financial statements

#### Opinion on the financial statements

We have audited the financial statements of North Kesteven District Council ('the Council') and its subsidiaries ('the Group') for the year ended 31 March 2022, which comprise the Council and Group Comprehensive Income and Expenditure Statements, the Council and Group Movement in Reserves Statements, the Council and Group Balance Sheets, the Council and Group Cash Flow Statements, the Housing Revenue Account, the Collection Fund and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Council and Group as at 31<sup>st</sup> March 2022 and of the Council's and Group's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Council and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director of Resources' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Resources with respect to going concern are described in the relevant sections of this report.





# Appendix B: Draft audit report

## Other information

The Director of Resources is responsible for the other information. The other information comprises the the Annual Governance Statement and information included in the Statement of Accounts, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of the Director of Resources for the financial statements

As explained more fully in the Statement of the Chief Finance Officer’s Responsibilities, the Director of Resources is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, and for being satisfied that they give a true and fair view. The Director of Resources is also responsible for such internal control as the Director of Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Resources is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and prepare the financial statements on a going concern basis, on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Director of Resources is responsible for assessing each year whether or not it is appropriate for the Council and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

## Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Council, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, the Accounts and Audit Regulations 2015, and the Local Government and Housing Act 1989 and we considered the extent to which non-compliance might have a material effect on the financial statements.



# Appendix B: Draft audit report

We evaluated the Director of Resources' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Council and the Group which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Director of Resources' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in September 2021.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



# Appendix B: Draft audit report

## Report on the Council’s arrangements for securing economy, efficiency and effectiveness in its use of resources

### Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have not completed our work on the Council's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in December 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2022.

We will report the outcome of our work on the Council's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

### Responsibilities of the Council

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### Auditor’s responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021.



# Appendix B: Draft audit report

## Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

## Use of the audit report

This report is made solely to the members of North Kesteven District Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

## Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed:

- the work necessary to issue our assurance statement in respect of the Council’s Whole of Government Accounts consolidation pack;
- the work necessary to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Mark Dalton, Key Audit Partner  
For and on behalf of Mazars LLP

5<sup>th</sup> Floor  
3 Wellington Place  
Leeds  
LS1 4AP

xx November 2022



# Appendix C: Independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.



# Appendix D: Other communications

Other communication	Response
<b>Compliance with Laws and Regulations</b>	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations. Or detail significant matters identified.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
<b>External confirmations</b>	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
<b>Related parties</b>	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ul style="list-style-type: none"> <li>a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and</li> <li>b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.</li> </ul>
<b>Going Concern</b>	<p>We have not identified any evidence to cause us to disagree with the Director of Resources that North Kesteven District Council will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements.</p> <p>We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.</p>



# Appendix D: Other communications

Other communication	Response
<p><b>Subsequent events</b></p>	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor’s report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
<p><b>Matters related to fraud</b></p>	<p>We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, and the Audit Committee, confirming that</p> <ul style="list-style-type: none"> <li>a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud;</li> <li>b. they have disclosed to the auditor the results of management’s assessment of the risk that the financial statements may be materially misstated as a result of fraud;</li> <li>c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving:               <ul style="list-style-type: none"> <li>i. Management;</li> <li>ii. Employees who have significant roles in internal control; or</li> <li>iii. Others where the fraud could have a material effect on the financial statements; and</li> </ul> </li> <li>d. they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, analysts, regulators or others.</li> </ul>



# Mark Dalton, Director – Public and Social Sector

## Mazars

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LS1 4AP

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services\*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

\*where permitted under applicable country laws.