

Independence and ethics

Independence and ethics

We confirm that there is one significant matter that could appear to have an impact on our independence, objectivity and integrity, and as your auditors we are required to draw it to your attention. [REDACTED] replaced Angela Pleri as your external audit manager on 1 June 2018. On 9 July 2018, [REDACTED] applied for the post of Head of Internal Audit at Cumbria County Council. The Engagement Lead in consultation with the Engagement Quality Control Reviewer and our Central Ethics Team made the decision to immediately remove [REDACTED] from this audit engagement to safeguard our independence, objectivity and integrity. In this short period as manager [REDACTED] only work on the audit was to carry out an interim review of the audit team's work. An additional safeguard was put in place whereby both the Engagement Lead and the Engagement Quality Control Reviewer carried out a review of all the work that [REDACTED] had reviewed.

We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 which sets out supplementary guidance on ethical requirements for auditors of local public bodies. Details of fees charged are detailed in Appendix D.

Audit and 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 following non-audit services were identified.

Service	£	Threats	Safeguards
Audit related			
Certification of Teachers' Pension return	4,900	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £4,900 in comparison to the total fee for the audit of £114,615 and also relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors mitigate the perceived self-interest threat to an acceptable level.
Harbour Authority Accounts specified procedures	1,000	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £1,000 in comparison to the total fee for the audit of £114,615 and also relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors mitigate the perceived self-interest threat to an acceptable level.
Non-audit related			
Cost Assurance	1,427	Self-Interest (because this is a contingent fee)	The level of this fee taken on its own is not considered a significant threat to independence as the fee for this work in 2017/18 is £1,427 in comparison to the total fee for the audit of £114,615 and also relative to Grant Thornton UK LLP's turnover overall. Although this is a contingent fee piece of work, the amount charged in full for the cost assurance work in 2016/17 and 2017/18 totals £1,927. These factors mitigate the perceived self-interest threat to an acceptable level.

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the group and Council's policy on the allotment of non-audit work to your auditors. All services have been approved by the relevant officers.