

# Darlington Borough Council 2009/10 Audit Plan



The Audit Committee  
Darlington Borough Council  
Town Hall  
Feethams  
Darlington  
Co Durham  
DL1 5QT

March 2010

Ladies and Gentlemen

We are pleased to present to you our Audit Plan, which includes an analysis of key risks, our audit strategy, reporting and audit timetable and other matters. Discussion of our plan with you ensures that we understand your concerns and that we agree on our mutual needs and expectations to provide you with the highest level of service quality. Our approach is responsive to the many changes affecting Darlington Borough Council.

We would like to thank Members and officers of the Council for their help in putting together this Plan.

If you would like to discuss any aspect of our Audit Plan please do not hesitate to contact Janet Eilbeck, Paul Harrison or Simon Clegg.

Yours faithfully

PricewaterhouseCoopers LLP

Encs

# Contents

Introduction ..... 4

Risk assessment ..... 5

Our approach to the audit..... 10

Our team and independence ..... 12

Communicating with you ..... 14

Audit budget and fees..... 15

Appendix A: Other engagement information ..... 17

*In April 2008 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and of audited bodies'. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any Member or officer in their individual capacity or to any third party.*

# Introduction

## **The purpose of this plan**

Our Audit Plan has been prepared to inform the officers and Members of Darlington Borough Council (the Council) about our responsibilities as your external auditors and how we plan to discharge them.

In accordance with Audit Commission requirements, we issued our audit fee letter on 12 June 2009 setting out our indicative fees for 2009/10. This plan sets out in more detail our proposed audit approach for the year.

Every Council is accountable for the stewardship of public funds. The responsibility for this stewardship is placed upon the officers and Members of the Council. Our principal objective is to carry out an audit in accordance with the Audit Commission's Code of Audit Practice (the Code).

The next section sets out recent developments and other relevant risks that we will consider during the audit, based on our discussions with management and our understanding of the Council and the local government sector.

We would like to thank officers and Members of the Council for their help in putting together this Plan.

## **Period covered by this plan**

This Plan outlines our audit approach for the period 1 April 2009 to 31 March 2010, including the 2009/10 final accounts audit which we will undertake in summer 2010.

## **Code of Audit Practice and Statement of responsibilities of auditors and of audited bodies**

We perform our audit in accordance with the Code which was last updated in July 2008. This is supported by the Statement of Responsibilities of Auditors and of Audited Bodies (the Statement) which was updated in April 2008. Both documents are available from the Chief Executive.

The purpose of the Statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end, and what is to be expected of the audited body in certain areas.

Our reports and audit letters follow the Statement and are in line with the Code. Although Annual Audit Letters and reports may be addressed to officers or members of the Council, they are prepared for the sole use of the audited body. Auditors do not have responsibilities to officers or members in their individual capacities or to third parties who choose to place reliance upon the reports from auditors.

# Risk assessment

## Planning of our audit

We have considered the Council's operations and have assessed the extent to which we believe there are potential business and audit risks that need to be addressed by our audit. We have also considered our understanding of how your control procedures mitigate these risks. Based on this assessment we have determined the extent of our audit work on the Council's Statement of Accounts and on the Use of Resources assessment.

It is your responsibility to identify and address your operational and financial risks, and to develop and implement proper arrangements to manage them, including adequate and effective systems of internal control. In planning our audit work, we assess the significant operational and financial risks that are relevant to our responsibilities under the Code and the Audit Commission's Standing Guidance. This exercise is only performed to the extent required to prepare our Plan so that it properly tailors the nature and conduct of audit work to your circumstances. It is not designed to identify all risks affecting your operations nor all internal control weaknesses.

In this Plan we detail those areas which we consider to be significant risks relevant to our audit responsibilities and our response to those risks. Significant risks are those risks requiring special audit attention in accordance with auditing standards.

In addition, we also identify other risks affecting the Council and our response to these risks.

Our response includes details of where we are intending to rely upon internal controls, other auditors, inspectors and other review agencies and the work of internal audit, if applicable.

## 2010/11 – the first year of reporting under International Financial Reporting Standards (IFRS)

Local government will move to IFRS in 2010/11 and therefore, the 2010/11 financial statements will be prepared in accordance with IFRS.

The 2009/10 financial statements will continue to be prepared in accordance with current accounting guidance (UK GAAP), however balances and transactions appearing in them will need to be restated under IFRS to form the comparatives that will appear in the 2010/11 financial statements. In order for this to happen, opening balances as at 1 April 2009 will need to be restated. Preparation for conversion is already underway at the Council, as recommended in CIPFA's LAAP Bulletin 80, published in March 2009.

As the implementation of IFRS requires the financial statements to be prepared in accordance with a new set of financial standards, there is an increased risk that the accounts could be misstated. We will therefore work closely with the Council to ensure that you are aware of the main differences between IFRS and UK GAAP and to resolve any accounting issues promptly.

## Risk assessment results

The following table summarises the results of our risk assessment and our planned response. The following are deemed to be significant risks impacting on our audit and we will develop specific work programmes to address each of these.

Business risks – Significant Risks	Audit approach
<p><b><i>Financial standing</i></b></p> <p>The Council is likely to be experiencing increased pressures on many of its budgets as economic conditions have worsened. The following factors may impact upon the Council and its financial standing:</p> <ul style="list-style-type: none"> <li>• the need to achieve challenging efficiency targets across the board;</li> <li>• existing budget pressures within Adult Services are forecast to continue;</li> <li>• significant capital expenditure plans countered by reduced capital receipts income;</li> <li>• increased demand on services resulting from the economic downturn and demographic pressures; and</li> <li>• the valuation of fixed assets and investments related to current economic uncertainties.</li> </ul> <p>These factors give rise to the following audit risks :</p> <ul style="list-style-type: none"> <li>• inappropriate valuations of assets and investments held within the Council's balance sheet;</li> <li>• increased risk of fraudulent activity; and</li> <li>• increased risk of potential liabilities being excluded from the Council's year-end position.</li> </ul>	<p>To address these risks we will:</p> <ul style="list-style-type: none"> <li>• review the Council's MTFP and outturn against budgets both as part of our financial audit procedures and our Use of Resources assessment;</li> <li>• assess the valuation of fixed assets and investments;</li> <li>• test cut-off procedures to ensure transactions are recognised in the correct period;</li> <li>• substantively test all significant accounting estimates to ensure that balances are appropriate and complete;</li> <li>• review proactive anti-fraud procedures, operational controls and the results of any fraud investigations in the year; and</li> <li>• review work done by the Council in relation to the National Fraud Initiative (NFI) as mandated by the Audit Commission.</li> </ul>

Business risks – Significant Risks	Audit approach
<p><b><i>The introduction of International Financial Reporting Standards</i></b></p> <p>Local Government will adopt International Financial Reporting Standards (IFRS) in full in 2010/11. Project planning for this transition is already well underway at the Council. Processes need to ensure that information required for the transition (e.g. comparatives for the 2010/11 statements) can be collected efficiently and effectively during the 2009/10 closedown.</p> <p>The 2009 Local Government SORP applicable for the 2009/10 accounts requires that PFI schemes are accounted for under IFRS guidance.</p> <p><b><i>PFI</i></b></p> <p>The Council has one PFI scheme - the Education Village and Harrowgate Hill Primary School. Currently the Council does not recognise the assets within this scheme on its Balance Sheet. It is likely that these assets will come on balance sheet for 2009/10 under the new accounting arrangements. This change will involve some complex accounting adjustments, including prior period adjustments to show the position as if these requirements had applied since the beginning of the PFI scheme.</p>	<p>The Council has engaged advisors to assist with the adjustments required to bring PFI assets on to the balance sheet. We will review the outputs of this work to confirm that the entries are true and fair.</p> <p>We are working closely with officers on all other aspects of IFRS and will continue to do so at each stage of the transition to offer audit support and guidance on the key phases in the process.</p>
<p><b><i>Management override of controls</i></b></p> <p>In considering the risk of fraud within an organisation we are required to consider the scope for management to override controls leading to material incorrect or fraudulent transactions being reported in the accounts.</p>	<p>We will consider the potential for management override in our review of internal controls and our work with internal audit.</p> <p>We will also design and perform final audit procedures in relation to:</p> <ul style="list-style-type: none"> <li>• the appropriateness of journal entries and other adjustments;</li> <li>• the reconciliation of key control accounts;</li> <li>• accounting estimates; and</li> <li>• the business rationale for significant transactions.</li> </ul>

Business risks – Significant Risks	Audit approach
<p><b>Revenue recognition</b></p> <p>There is a rebuttable presumption established in auditing standards that revenue recognition is a significant risk for all external audits.</p> <p>Recognition of revenue is an area of financial reporting which can be judgemental and is therefore open to manipulation, for example by recognising revenue prematurely or failing to recognise revenue in the proper year.</p>	<p>We will consider income recognition as part of our testing of income balances to ensure appropriate accounting principles have been applied. Specific tests performed will include:</p> <ul style="list-style-type: none"> <li>• reviewing significant contracts entered into by the Council to ensure that revenue is recognised in the appropriate period; and</li> <li>• examining transactions occurring around the year end to ensure they are accounted for in the correct period.</li> </ul>

The following risks are other risks identified as part of our audit process, which will be addressed as part of our ongoing work, however they are not deemed to be significant for audit purposes.

Business risks – Other Risks	Audit approach
<p><b>Accounting for council tax</b></p> <p>Accounting guidance for Local Authorities (documented in the 2009 Local Government SORP) has changed the requirements for the way in which Council Tax income and debtors and creditors should be accounted for in the 2009/10 financial statements. Officers will need to ensure that they are familiar with the new requirements.</p>	<p>We will design and perform final audit procedures to assess compliance with the changes in the 2009 Local Authority SORP: these will be performed as part of our substantive testing of debtors and creditors.</p>
<p><b>Contract management</b></p> <p>Ineffective contract management and ongoing monitoring of contract performance could result in inefficiencies and reduced value for money. In particular recent contractual overruns on the Pedestrian Heart scheme have led to questions being raised by electors in this area.</p>	<p>We will design and perform procedures to review contract management on significant contracts operated by the Council. We will assess ongoing monitoring procedures and review supporting evidence as appropriate.</p>



Business risks – Other Risks	Audit approach
<p><b><i>Retirement benefits</i></b></p> <p>There are two important aspects of FRS 17 accounting that are influenced by the current economic climate:</p> <ul style="list-style-type: none"> <li>• Discount rates – as the market for high quality corporate bonds has become shallower, problems have arisen in establishing discount rates for FRS 17 purposes.</li> <li>• Valuation of scheme assets – the same guidance for determining values for financial assets applies to pension fund assets. Problems have arisen in earlier years where actuaries have used estimates for returns on assets based on trends before the year-end that have proven to be materially inaccurate. The current instability of the markets makes recurrence of this problem likely in 2009/10. The Council will need to ensure that out-of-date figures are identified and corrected.</li> </ul>	<p>We will review the assumptions used by the actuaries as part of our broader work to offer assurance that these are reasonable.</p> <p>We will liaise closely with the auditors of the pension fund administering authority to gain assurance that asset values are not materially misstated.</p>
<p><b><i>Involvement in other entities</i></b></p> <p>Current economic conditions could have resulted in changes in how an entity in which the Council has an interest is funded or to how it makes key financial and operating decisions. These changes could be significant to decisions about whether the entity is included in group accounts and, if so, the basis for consolidation.</p> <p>If there has been a significant deterioration in the results and balance sheet of entities that have not previously been consolidated on the grounds of materiality, the decision not to consolidate may need to be revisited.</p>	<p>We will review the position of all entities in which the Council retains an interest to confirm that the current accounting treatment remains appropriate.</p>

# Our approach to the audit

## Code of Audit Practice

Under the Audit Commission's Code there are two aspects to our work:

- Accounts, including a review of the Annual Governance Statement; and
- The arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources (Value for Money Conclusion)

We are required to issue a two-part audit report covering both of these elements.

## Accounts

Our Accounts audit is carried out in accordance with our Accounts Code objective, which requires us to comply with International Standards on Auditing (ISAs) (UK & Ireland) issued by the Auditing Practices Board (APB). We plan and perform our audit to be able to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. We use professional judgement to assess what is material. This includes consideration of the amount and nature of transactions.

Our audit approach is based on a thorough understanding of your business and is risk-driven. It first identifies and then concentrates resources on areas of higher risk and issues of concern to you. This involves breaking down the accounts into components. We assess the risk characteristics of each component to determine the audit work required.

Our audit approach is also based on understanding and evaluating your internal control environment and validating these controls, where we wish to place reliance on them. This work is supplemented by substantive audit procedures, which include detailed testing of transactions and balances and suitable analytical procedures.

We aim to rely on the work done by internal audit wherever appropriate. We ensure that there is a continuous dialogue with internal audit throughout the year. We receive copies of all relevant internal audit reports, allowing us to understand the impact of their findings on our planned audit approach.

## Whole of government accounts

Work on the Whole of Government Accounts consolidation pack is included in the scope of the accounts audit.

## **Value for Money Conclusion**

Our Use of Resources Code responsibility requires us to carry out sufficient and relevant work in order to conclude on whether you have put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources (the Value for Money Conclusion).

This conclusion is based on relevant criteria, covering particular areas of the Council's arrangements which the Audit Commission have specified under the Code. The criteria cover three themes, Managing Finances, Governing the Business and Managing Resources, and are set out in Key Lines of Enquiry.

When forming our opinion we will seek to rely on:

- Any self assessment you have performed against the criteria;
- Your internal control mechanisms;
- Any relevant work of internal audit, inspectors and other review agencies;
- Work performed in respect of other Code requirements and mandatory work required by the Audit Commission; and
- Targeted audit work to address specific risks and validate arrangements in place at the Council.

As noted above, our opinion will be issued as part of the audit opinion on your 2009/10 financial statements.

## **Mandatory work for 2009/10**

### **Use of Resources Assessment**

From April 2009, the Audit Commission implemented comprehensive area assessment (CAA), jointly with the other public service inspectorates.

The audit year 2009/10 will therefore be the first full year of CAA. As part of

the transition to CAA the scope of the use of resources assessment was broadened to reflect 'new' areas such as commissioning. It also now encompasses a wider definition of resources, covering natural resources, people and information technology.

Our use of resources judgements in 2009/10 will therefore serve two purposes: as a basis for Value for Money conclusions and as an input into the results of CAA, which will be reported in autumn 2010.

### **Data Quality work**

We will undertake audit work in relation to data quality to support our Use of Resources Assessment.

# Our team and independence

Audit Team	Responsibilities
<p><b>Engagement Partner</b>  <i>Janet Eilbeck</i>                      020 7804 9178  <i>Janet.Eilbeck@uk.pwc.com</i></p>	<p>Engagement Leader responsible for independently delivering the audit in line with the Code of Audit Practice, including agreeing the Audit Plan, Audit Memorandum and Annual Audit Letter, approving the quality of outputs and signing of opinions and conclusions. Also responsible for liaison with the Chief Executive and Members.</p>
<p><b>Engagement Senior Manger</b>  <i>Paul Harrison</i>                      0191 269 4422  <i>Paul.Harrison@uk.pwc.com</i></p>	<p>Senior Manager on the assignment responsible for overall control of the audit engagement, ensuring delivery to timetable, delivery and management of targeted work and overall review of audit outputs. Completion of the Audit Plan, Audit Memorandum and Annual Audit Letter.</p>
<p><b>Engagement Manager</b>  <i>Simon Clegg</i>                      0191 269 4132  <i>Simon.D.Clegg@uk.pwc.com</i></p>	<p>Manager on the assignment responsible for managing our accounts work, including the audit of the statement of accounts, and governance aspects of the use of resources. Simon is also responsible for co-ordinating the use of resources audit programme including preparing and presenting reports.</p>

## Our team members

It is our intention that, wherever possible, staff work on Darlington Borough Council audit each year, developing effective relationships and an in depth understanding of your business. We are committed to properly controlling succession within the core team, providing and preserving continuity of team members.

We will hold periodic client service meetings with you, separately or as part of other meetings, to gather feedback, ensure satisfaction with our service and identify areas for improvement and development year on year. These reviews form a valuable overview of our service and its contribution to the business. We use the results to brief new team members and enhance the team's awareness and understanding of your requirements.

### **Independence and objectivity**

We have made enquiries of all PricewaterhouseCoopers' teams providing services to you and of those responsible in the UK Firm for compliance matters. There are no matters which we perceive may impact our independence and objectivity of the audit team.

### **Other services provided to the Council**

Other than our audit under the Code, we have not provided any services to the Council.

### **Relationships and investments**

Senior officers should not seek or receive personal financial or tax advice from PwC. Members who receive such advice from us (perhaps in connection with employment by a client of the firm) or who also act as director for another audit or advisory client of the firm should notify us, so that we can put appropriate conflict management arrangements in place.

### **Independence conclusion**

At the date of this plan we confirm that in our professional judgement, we are independent accountants with respect to the Council, within the meaning of UK regulatory and professional requirements and that the objectivity of the audit team is not impaired.

# Communicating with you

## Communications Plan and timetable

ISA (UK&I) 260 'Communication of audit matters with those charged with governance' requires auditors to plan with those charged with governance the form and timing of communications with them. We have assumed that 'those charged with governance' are the Audit Committee Members. Our team works on the engagement throughout the year to provide you with a timely and responsive service. Below are the dates when we expect to provide the Council with the outputs of our audit.

Stage of the audit	Output	Date
Audit planning	Audit Fee letter	June 2009
	Audit Plan	March 2010
Audit findings	Internal control issues and recommendations for improvement (if applicable – it may form part of the Audit Memorandum)	October 2010
	Use of resources and preliminary conclusion for discussion	April 2010
Audit reports	<b>Audit Memorandum incorporating specific reporting requirements under Auditing Standard (ISA (UK&amp;I)) 260, including:</b> <ul style="list-style-type: none"> <li>• Any expected modifications to the audit report</li> <li>• Uncorrected misstatements, i.e. those misstatements identified as part of the audit that management have chosen not to adjust</li> <li>• Material weaknesses in the accounting and internal control systems identified as part of the audit</li> <li>• Our views about the qualitative aspects of your accounting practices and financial reporting</li> <li>• Any other relevant matters of governance interest and</li> <li>• Summary of findings from our use of resources audit work to support our value for money conclusion.</li> </ul>	September 2010
	<b>Opinion on the Financial Statements including Value for Money Conclusion</b>	September 2010
	<b>Auditor Use of Resources Assessment</b>	September 2010
Other public reports	<b>Annual Audit Letter</b> A brief summary report of our work, produced for Members and to be available to the public.	October 2010

# Audit budget and fees

The Audit Commission has provided indicative audit fee levels for Darlington Borough Council for the 2009/10 financial year, which depend upon the level of expenditure and potential risk. Based on your expenditure, the indicative fee for audit for the Council is £213,300, excluding VAT.

The proposed fees do not include provision for review of the accounting treatment of PFI schemes, as a result of the transition to IFRS. The Audit Commission's guidance on fee scales recognises that the scope, and therefore the costs, of such reviews will depend upon the nature and complexity of the scheme and may need to be reflected in a variation to the fee. Based on the existence of the Education Village and Harrowgate Hill Primary School scheme at the Council we anticipate additional audit time to be incurred in reviewing this scheme. This will be charged at the hourly rates equivalent to those mandated for grant return work.

In setting the fee we have assumed that the general level of risk in relation to the audit of the financial statements is not significantly different from that identified for 2008/09. As such our audit fee will match the scale fee prescribed by the Audit Commission of £213,300. This is broken down as follows:

	2009/10	2008/09
Financial statements	£141,950	£139,000
Use of Resources / VfM Conclusion	£71,350	£68,800
<b>Total</b>	<b>£213,300</b>	<b>£207,800</b>

Our fee for accounts work includes the following:

- Audit of the financial statements for 2009/10; and
- Work on whole of government accounts for 2009/10.

Our fee for use of resources work includes the following:

- Use of Resources assessment, supporting the Comprehensive Area Assessment (CAA);
- Value for Money Conclusion;
- Targeted audit work as required; and
- Follow up of previous work.

We have based the fee level on the following assumptions:

- Officers meeting the timetable of deliverables, which we will agree in writing;
- We are able to place reliance, as planned, upon the work of internal audit;
- We are able to draw comfort from your management controls;
- We are able to place reliance on the following work of inspectors and internal audit in respect of our Value for Money conclusion:
- No significant changes being made by the Audit Commission to the Use of Resources criteria on which our conclusion will be based;
- An early draft of the Annual Governance Statement being available for us to review; and
- Our Value for Money conclusion and accounts opinion being unqualified.

If these prove to be unfounded, we will seek a variation order to the agreed fee, to be discussed in advance with you.

#### **Certification of grant claims and responding to electors' questions**

Our fee for the certification of grant claims and work on electors' questions is based on the amount of time required to complete individual grant claims and responses at standard hourly rates. We will discuss and agree this with the Director of Finance and his team.



# Appendix A: Other engagement information

The Audit Commission appoint us as auditors to Darlington Borough Council and the terms of our appointment are governed by:

- The Code of Audit Practice; and
- The Standing Guidance for Auditors

There are five further matters which are not currently included within the guidance, but which our firm's practice requires that we raise with you.

## **Electronic communication**

During the engagement we may from time to time communicate electronically with each other. However, the electronic transmission of information cannot be guaranteed to be secure, virus or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use.

PwC partners and staff may also need to access PwC electronic information and resources during the engagement. You agree that there are benefits to each of us in their being able to access the PwC network via your internet connection and that they may do this by connecting their PwC laptop computers to your network. We each understand that there are risks to each of us associated with such access, including in relation to security and the transmission of viruses.

We each recognise that systems and procedures cannot be a guarantee that transmissions, our respective networks and the devices connected to these networks will be unaffected by risks such as those identified in the previous two paragraphs. We each agree to accept the risks of and authorise (a) electronic communications between us and (b) the use of your network and internet connection as set out above. We each agree to use commercially reasonable procedures (i) to check for the then most commonly known viruses before either of us sends information electronically or we connect to your network and (ii) to prevent unauthorised access to each other's systems.

We shall each be responsible for protecting our own systems and interests and you and PwC (in each case including our respective directors, members, partners, employees, agents or servants) shall have no liability to each other on any basis, whether in contract, tort (including negligence) or otherwise, in respect of any error, damage, loss or omission arising from or in connection with the electronic communication of information between us and our reliance on such information or our use of your network and internet connection.

The exclusion of liability in the previous paragraph shall not apply to the extent that such liability cannot by law be excluded.

### **Access to audit working papers**

We may be required to give access to our audit working papers to the Audit Commission or the National Audit Office for quality assurance purposes.

### **Quality arrangements**

We want to provide you at all times with a high quality service to meet your needs. If at any time you would like to discuss with us how our service could be improved or if you are dissatisfied with any aspect of our services, please raise the matter immediately with the partner responsible for that aspect of our services to you. If, for any reason, you would prefer to discuss these matters with someone other than that partner, please contact Paul Woolston, our Audit Commission Lead Partner at our office at 89 Sandyford Road, Newcastle Upon Tyne, NE99 1PL, or Richard Sexton, UK Head of Assurance, at our office at 1 Embankment Place, London, WC2N 6NN. In this way we can ensure that your concerns are dealt with carefully and promptly. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. This will not affect your right to complain to the Institute of Chartered Accountants in England and Wales or to the Audit Commission.

### **Events arising between signature of accounts and their publication**

ISA (UK&I) 560 places a number of requirements on us in the event of material events arising between the signing of the accounts and their publication. You need to inform us of any such matters that arise so we can fulfil our responsibilities.

If you have any queries on the above, please let us know before approving the Audit Plan or, if arising subsequently, at any point during the year.

### **Freedom of Information Act**

In the event that, pursuant to a request which the audited body has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. The audited body agrees to pay due regard to any representations which PwC may make in connection with such disclosure and the audited body shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, the audited body discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

