

Hampshire County Council & Hampshire Pension Fund

Annual Audit Letter for the year
ended 31 March 2020

February 2021

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Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psa.co.uk).

This Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities / Terms and Conditions of Engagement. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



Section 1

Executive Summary

Executive Summary

We are required to issue an annual audit letter to Hampshire County Council (the Council) following completion of our audit procedures for the year ended 31 March 2020. Covid-19 had an impact on a number of aspects of our 2019/20 audit. We set out these key impacts below.

Area of impact	Commentary
Impact on the delivery of the audit	
▶ Changes to reporting timescales	As a result of Covid-19, new regulations, the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 No. 404, have been published and came into force on 30 April 2020. This announced a change to publication date for final accounts from 31 July to 30 November 2020 for all relevant authorities.
Impact on our risk assessment	
▶ Valuation of Property Plant and Equipment	The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty. Caveats around this material uncertainty have been included in the year-end valuation reports produced by the Council's property valuers. We consider that the material uncertainties disclosed by the valuer gave rise to an additional risk relating to disclosures on the valuation of property, plant and equipment, and a significant risk for the valuation of investment properties.
▶ Disclosures on Going Concern	Financial plans for 2020/21 and medium term financial plans will need revision for Covid-19. We considered the unpredictability of the current environment gave rise to a risk that the Council would not appropriately disclose the key factors relating to going concern, underpinned by managements assessment with particular reference to Covid-19 and the Council's actual year end financial position and performance.
▶ Events after the balance sheet date	We identified an increased risk that further events after the balance sheet date concerning the current Covid-19 pandemic may need to be disclosed. The amount of detail required in the disclosure needed to reflect the specific circumstances of the Council.
Impact on the scope of our audit	
▶ Information Produced by the Entity (IPE)	We identified an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the Council's systems. We undertook the following to address this risk: <ul style="list-style-type: none">• Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and• Agreed IPE to scanned documents or other system screenshots.
▶ Consultation requirements	Additional EY consultation requirements concerning the impact on auditor reports. The changes to audit risks and audit approach changed the level of work we needed to perform.

Executive Summary (cont'd)

The tables below set out the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's:	
▶ Financial statements	On 29 January 2021 we issued unqualified opinions. The financial statements give a true and fair view of the financial position of the Council and the Pension Fund as at 31 March 2020 and of its expenditure and income for the year then ended.
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Statement of Accounts.
▶ Concluding on the Council's arrangements for securing economy, efficiency and effectiveness	We concluded that you have put in place proper arrangements to secure value for money in your use of resources.

Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Council.
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report.

Executive Summary (cont'd)

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	We have substantially completed the work required by the NAO. There have been some national technical issues identified with the new NAO WGA tool and as a result there has been an extension to the submission deadline.

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	We presented our Audit Results Reports on the Council and the Pension Fund to the Audit Committee on 30 September 2020. We updated our reports and provided these on 28 January 2021.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	We will issue our audit completion certificate as soon as we have submitted the WGA. We are required to give an opinion on the consistency of the financial statements of the pension fund included in the Pension Fund Annual Report of Hampshire County Council. The Local Government Pension Scheme Regulations required authorities to publish the Pension Fund Annual Report by 1 December 2020. On 29 January 2021 we issued an opinion that stated the Pension Fund Annual Report was consistent with the audited Pension Fund financial statements.

We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work.

Kevin Suter
Associate Partner
For and on behalf of Ernst & Young LLP

Section 2

Purpose and Responsibilities



Purpose

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Council.

We have already reported the detailed findings from our audit work in our 2019/20 Audit Results Report to the 30 September 2020 Audit Committee, updated on 28 January 2021, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.

Responsibilities

Responsibilities of the Appointed Auditor

Our 2019/20 audit work was undertaken in accordance with the Audit Plans presented on 20 February 2020, and the Updated Audit Plans that we presented on 23 July 2020 to outline the impact of the Covid-19 pandemic on the audit.

Our initial findings were communicated through the audit results report we presented on 30 September 2020. Our audit was conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office.

As auditors, we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the 2019/20 financial statements; and
 - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. We have substantially completed the WGA review and will submit in line with the revised NAO timetable.

Responsibilities of the Council

The Council is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement (AGS). In the AGS, the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Section 3

Financial Statement Audit



Financial Statement Audit

Key Issues

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Council and Pension Fund Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office and issued an unqualified audit report on 29 January 2021.

Our preliminary findings were reported to the 30 September 2020 Audit Committee. The key issues identified as part of our audit were as follows.

Significant risks	Conclusion
Misstatements due to fraud or error	We did not identify any matters to report to the Audit Committee.
Incorrect capitalisation of revenue expenditure	We did not identify any matters to report to the Audit Committee.
Investment Property Valuation	Our work identified a misstatement in the sampled properties of £2.5 million, and in addition we noted an error in our representative sample which we extrapolated to give a projected misstatement of £4.8 million.

Other audit risks on the Council audit

Valuation of land & buildings: We have noted two audit differences in respect of valuation of land and buildings which have not been corrected by management. These were a judgemental valuation difference, and a projected difference in the assessment of assets not revalued during the year. The net impact of the projected misstatement would increase the value of assets by £16.6 million.

Pension liability - We are satisfied that the actuary has taken into consideration the impacts of McCloud and that the impacts of 'Goodwin' would not be material for HCC. The results of the work performed by the Pension Fund audit noted a difference in Hampshire County Council's share of the Pension Fund assets of £12.5 million. Management have chosen not to adjust this misstatement.

Going concern - The Council has assessed the impact of Covid-19 on its income, expenditure, cash and reserves position into 2020/21 and 2021/22 and made an appropriate disclosure in the statements.

Private Finance Initiatives - We engaged internal experts to perform a review of the streetlighting PFI Model - a difference was noted in the model used which resulted in a classification difference of £16 million between headings within the Comprehensive Income & Expenditure Statement, and a net balance sheet impact of £0.674 million.

Financial Statement Audit (cont'd)

Key Issues

Pension Fund

Significant risks	Conclusion
Misstatements due to fraud or error	We did not identify any matters to report to the Audit Committee.
Valuation of pooled property investments and freehold & leasehold properties (level 3)	<p>Covid-19 had an impact on the valuation of some investments. The Fund reclassified its pooled property investments from level 2 (where some relevant, reliable market evidence would be available) to level 3 (where such information was more difficult to obtain).</p> <p>The information that the Fund used to support the valuation of the pooled property included valuation reports where the valuer had included a material uncertainty caveat on valuations at 31 March 2020 because of the impact of Covid-19. We have no findings to report to the Audit Committee regarding the valuations, but the uncertainties relating to valuations of the underlying property assets were included in and emphasis of matter paragraph within our audit report to draw the readers attention to these issues that were properly disclosed in the Pension Fund accounts.</p>
Valuation of Alternative Investments (Level 3)	Using our expectations of market movements, we raised a projected misstatement of £20.8m. We think management's reduction of the investment values due to Covid-19 has been overstated, meaning an understatement of the value of those assets in the accounts.

Other audit risks on the Pension Fund audit

Going concern - the Pension Fund has assessed the impact of Covid-19 on its cash and asset position into 2020/21 and 2021/22 and made an appropriate disclosure in the statements.

Valuation of level 2 investments - we found no issues arising from the valuation of level 2 assets. We note that pooled property funds had been appropriately reclassified from level 2 to level 3.

Financial Statement Audit (cont'd)

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	<p>We determined planning materiality to be £39.9m (2018/19: £39.2m), which is 1.8% of gross expenditure reported in the accounts adjusted for revaluation losses, but including pension interest costs, payments of precepts and investment property running costs.</p> <p>We consider gross expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.</p> <p>The planning materiality figure for the Pension Fund was £71.8m (2018/19: £72m)</p>
Reporting threshold	<p>We communicated to the Audit Committee that we would report to them all audit differences in excess of £1.9m (2018/19: £1.9m).</p> <p>The equivalent reporting figure for the Pension Fund was £3.6m (2018/19: £3.6m)</p>

Materiality	HCC	HPF
Planning	£39.9m	£71.8m
Performance	£29.9m	£53.9m
Reporting	£1.9m	£3.6m

Section 4

Value for Money



Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in its use of resources. This is known as our value for money conclusion.

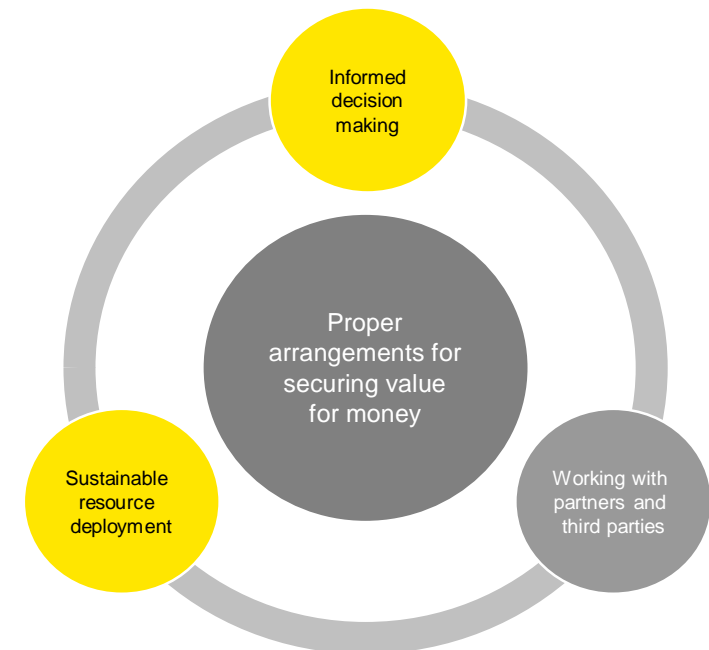
Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.

On 16 April 2020 the National Audit Office published an update to auditor guidance in relation to the 2019/20 Value for Money assessment in the light of Covid-19. This clarified that in undertaking the 2019/20 Value for Money assessment auditors should consider Local Authorities' response to Covid-19 only as far as it relates to the 2019-20 financial year; only where clear evidence comes to the auditor's attention of a significant failure in arrangements as a result of Covid-19 during the financial year, would it be appropriate to recognise a significant risk in relation to the 2019-20 VFM arrangements conclusion.

We have performed the procedures outlined in our audit plan. We did not identify any significant weaknesses in the Council's arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

We therefore issued an unqualified value for money conclusion on 29 January 2021



A blurred background image of a business meeting. Several people in professional attire are gathered around a wooden conference table, looking at documents. A woman with blonde hair is in the foreground, resting her chin on her hand and looking intently at the papers. Other people's hands and arms are visible, some pointing at the documents. The scene is brightly lit, suggesting an indoor office environment with large windows in the background.

Section 5

Other Reporting Issues

Other Reporting Issues

Whole of Government Accounts

We are required to perform the procedures specified by the National Audit Office on the accuracy of the consolidation pack prepared by the Council for Whole of Government Accounts purposes.

We are in the process of concluding our work on the WGA consolidation pack. There have been some technical issues with the new submission tool and as a result the NAO have extended the deadline, advising auditors not to finalise the submission until all issues are resolved.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Other Reporting Issues (cont'd)

Objections Received

We did not receive any objections to the 2019/20 financial statements from members of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Audit Committee on 30 September 2020. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a mainly substantive audit approach. We relied on the ISAE 3402 report on the Integrated Business Centre in respect of the operation of controls over Accounts Payable, Accounts Receivable and Cash.

Our audit did not identify any controls issues to bring to the attention of the Audit Committee.

Section 6

Focused on your future



Focused on your future

The NAO has a new Code of Audit Practice for 2020/21. The impact on the Council is summarised in the table below.

Council responsibilities for value for money

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with the financial statements, the Council is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Auditor responsibilities under the new Code

Under the 2020 Code we are still required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. However, there is no longer overall evaluation criterion which we need to conclude on. Instead the 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified 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.

Continued

Focused on your future

Reporting on VFM

In addition to the commentary on arrangements, where we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the 2020 Code has the same requirement as the 2015 Code in that we should refer to this by exception in the audit report on the financial statements.

However, a new requirement under the 2020 Code is for us to include the commentary on arrangements in a new Auditor's Annual Report. The 2020 Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Council's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

The Code of Practice on Local Authority Accounting in the United Kingdom introduces the application of new accounting standards in future years. The impact on the Council is summarised in the table below.

Standard	Issue	Impact
IFRS 16 Leases	<p>It was proposed that IFRS 16 (Leases) would be applicable for local authority accounts from the 2021/22 financial year, deferred a year due to the impact of Covid-19.</p> <p>Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for local authorities who lease a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet.</p> <p>In response to the ongoing pandemic and its pressures on council finance teams, CIPFA announced that the implementation will be deferred until the 2022-23 financial year.</p> <p>CIPFA has indicated that the deferral is limited to one year only and that there is no intention to grant any further extensions based on a lack of preparedness.</p>	<p>There are transitional arrangements within the standard and It is assumed this will be reflected in the 2021/22 Accounting Code of Practice for Local Authorities when published. CIPFA have issued some limited provisional information which begins to clarify what the impact on local authority accounting will be. Whether any accounting statutory overrides will be introduced to mitigate any impact remains an outstanding issue.</p> <p>However, what is clear is that the Council will need to undertake a detailed exercise to identify all of its leases and capture the relevant information for them. The Council must therefore ensure that all lease arrangements are fully documented, and use the extension to ensure it is ready for the standard's application.</p>



Section 7

Audit Fees

Audit Fees – Hampshire County Council

Our base fee for 2019/20 is in line with the scale fee set by the PSAA

Description	Scale Fee as set by PSAA 2019/20 £	Additional Fee Proposal 2019/20 £	Final Fee 2018/19 £
Initial Audit Fee – Code work	89,720		91,570
Changes in work required to address professional and regulatory requirements and scope associated with risk (see page 25)	N/A	39,246	N/A
Proposed Revised Scale Fee	89,720	39,426	91,570
Scale fee variation:			
Additional work required for Covid-19 considerations and Going Concern (see Note 1)		12,920	
Additional work required for significant risk on PPE valuation, IP Valuation (see Note 2)		8,780	
Work required for other inherent risks areas (see Note 3)		4,743	
Total Proposed Audit Fee	89,720	65,689	91,570
Non- Audit Work (ISAE 3402 report on the Integrated Business Centre)		56,500	43,000

Note 1: We have quantified the additional work we have undertaken during 2019/20 as a result of Covid19, going concern and resulting consultation processes.

Note 2: We have quantified the additional work completed during 2019/20 for the significant risk on Investment Property Valuation including use of internal specialists, and the additional impact of Covid-19 on property, plant and equipment valuations.

Note 3: We have quantified the additional work completed during 2019/20 over the IAS 19 valuation and PFI, including the use of internal specialists and work performed by the Pension Fund Auditor.

We have discussed these with the Deputy Chief Executive (Section 151 Officer) and provided further breakdown of each of the figures. We did not reach agreement and therefore we will be seeking PSAA approval.

Audit Fees – Hampshire Pension Fund

Our base fee for 2019/20 is in line with the scale fee set by the PSAA

Description	Scale Fee as set by PSAA 2019/20 £	Additional Fee Proposal 2019/20 £	Final Fee 2018/19 £
Total Audit Fee – Code work (NB scale fee = planned fee for 2019/20)	24,442		24,442
Changes in work required to address professional and regulatory requirements and scope associated with risk (See page 25)	N/A	31,738	N/A
Proposed Revised Scale Fee	24,442	31,738	24,442
Scale fee variation:			
Additional work required for Covid-19 considerations and Going Concern (see Note 1)		8,045	
Additional work required for significant risks over valuation of investment portfolio and valuation of complex investments (see Note 2)		4,585	
Additional work required for other inherent risks areas (see Note 3)		2,708	
Total Proposed Audit Fee	24,442	47,076	24,442

Note 1: We have quantified the additional work we have undertaken during 2019/20 as a result of Covid19, going concern and resulting consultation processes.

Note 2: We have quantified the additional work completed during 2019/20 for significant risk on valuation of investment portfolio and the Valuation of complex investments including use of internal specialists.

Note 3: We have quantified the additional work completed during 2019/20 for over L2 and other level investments including use of internal specialists.

We have discussed these with the Deputy Chief Executive and provided further breakdown of each of the figures. We did not reach agreement and therefore we will be seeking PSAA approval.

Audit Fees (cont'd)

Scale Fee Rebasing: Changes in work required to address professional and regulatory requirements and scope associated with risk

Janet Dawson, our Government & Public Sector Assurance Lead, wrote to all Chief Finance Officers and Audit Committee (or equivalent) chairs on 11 February 2020 on the subject of the sustainability of UK local public audit. Amongst other issues her letter stated that we did not believe the existing scale fees provide a clear link with both a public sector organisation's risk and complexity, and the audit profession's context for cost and fee increases, including the attractiveness of audit, investment in technology, innovation and the regulatory environment.

Around the same time, PSAA consulted on its 2020/21 audit fees ([PSAA fee consultation](#)), discussing the challenging environment, new standards and regulatory requirements. They noted an appropriate forum for fee discussions from these impacts would be between the auditor and Chief Financial Officer, to take place as soon as possible as part of planning discussions for 2019/20 audits.

The subsequent review by Sir Tony Redmond ([Redmond Review](#)) has also highlighted that audit fees in the local authority sector have dropped significantly at the same time that audit fees in other sectors have significantly risen, and that no assessment of the amount it would cost to audit each local authority based on their level of audit risk has been made in the past ten years due to the methods applied by the Audit Commission and then PSAA. As such there is no guarantee that the fee paid by each local authority accurately reflects the risk profile or amount of audit work required for their external audit.

To address these issues we undertook an analysis of the changes in professional and regulatory requirements since our last tender to PSAA was submitted, and any other known changes in audit risk. For instance, where applicable, significant commercial property investments, creation of joint ventures, subsidiaries and other similar arrangements. For pension fund we evaluated particularly the values and types of investment assets.

We identified the proposed fee rebasing under the headings of:

- Changes in risk;
- Increased regulatory requirements; and
- Client readiness and ability to support a technologically enabled audit.

As requested by PSAA, we discussed this with management in May 2020 (delayed from March 2020 due to the impact of the coronavirus pandemic)

We did not reach agreement. While management recognised many of these pressures and can see how they are reflected in the changes in the audit work, their view was that this is a decision for PSAA.

Having not reached agreement, and in light of managements comments, we will now submit the proposed rebasing to PSAA for their review and decision. We would like to thank management for their contribution to this debate and the positive manner in which they engaged with us, although we did not reach agreement

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