

Yorkshire Dales National Park Authority
Completion Report for Those Charged with Governance

Year ended 31 March 2023

Report issued – 26 November 2024

Building a better working world

Audit and Review Committee
Yorkshire Dales National Park Authority
Yoredale, Bainbridge, Leyburn, North Yorkshire,
DL8 3EL

26 November 2024

Dear Audit and Review Committee

Completion Report for Those Charged With Governance

Attached is our Completion Report for Those Charged With Governance. The purpose of this report is to provide the Audit and Review Committee of Yorkshire Dales National Park Authority (the Authority) with a detailed complete report covering our approach and outcomes of the 2022/23 audit.

Given that Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024" (the SI) imposes a backstop date of 13 December 2024 by which date we are required to issue our opinion on the financial statements, we have considered whether the time constraints imposed by the backstop date mean that we cannot complete all necessary procedures to obtain sufficient, appropriate audit evidence to support the opinion and fulfil all the objectives of all relevant ISAs (UK).

This decision is in line with ISA 200: Failure to Achieve an Objective 24.

If an objective in a relevant ISA (UK) cannot be achieved, the auditor shall evaluate whether this prevents the auditor from achieving the overall objectives of the auditor and thereby requires the auditor, in accordance with the ISAs (UK), to modify the auditor's opinion or withdraw from the engagement (where withdrawal is possible under applicable law or regulation). Failure to achieve an objective represents a significant matter requiring documentation in accordance with ISA (UK) 230 (Revised June 2016).4 (Ref: Para. A77&A78)

Taking the above into account, for the years ended 31 March 2023 we have determined that we cannot meet the objectives of the ISAs(UK) and we anticipate issuing a disclaimed audit report.

In completing our work for this audit year, we have taken into account Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024", Local Authority Reset and Recovery Implementation Guidance. We have also taken into account the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements, against this backdrop we have also considered the Committee's service expectations.

The Audit and Review Committee, as the Authority's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Authority's wider arrangements to support the delivery of a timely and efficient audit.

We consider and report on the adequacy of the Authority's external financial reporting arrangements and the effectiveness of the Audit and Review Committee in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so.

We draw the Audit and Review Committee members and officers' attention to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) which clearly set out what is expected of audited bodies in preparing their financial statements (see Appendix A).

This report is intended solely for the information and use of the Audit and Review Committee, and management, and is not intended to be and should not be used by anyone other than these specified parties.

Yours faithfully

Rob Jones

Partner

For and on behalf of Ernst & Young LLP

Enc

Contents

01 Executive Summary



02 Work Plan



03 Results and Findings





04 Value for Money



05 Appendices



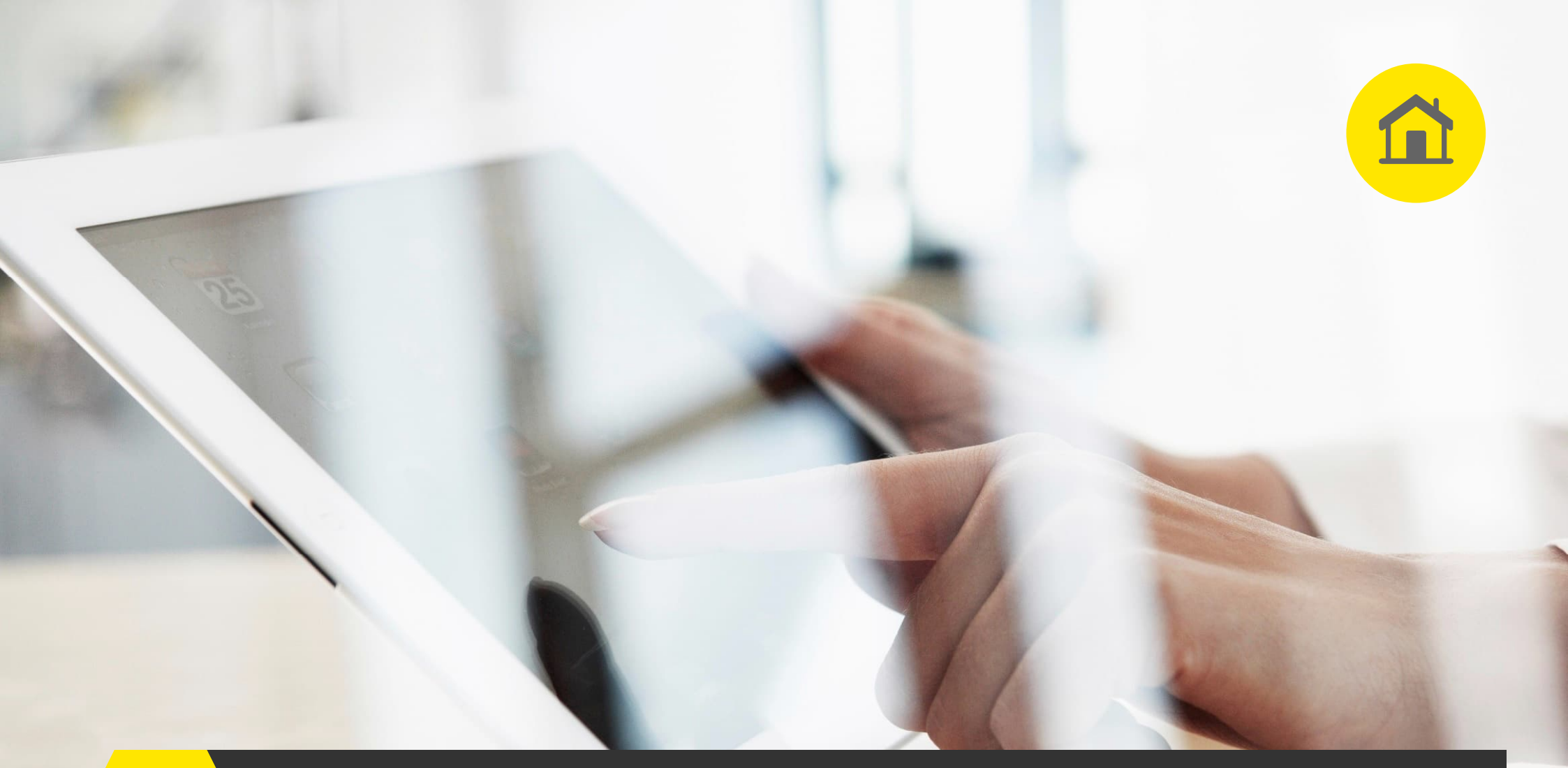
06 Spare

Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website. The 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 and further guidance (updated July 2021)" issued by the PSAA (https://www.psaa.co.UK/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/) 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 in legislation and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit and Review Committee and management of Yorkshire Dales National Park Authority. Our work has been undertaken so that we might state to the Audit and Review Committee and management of Yorkshire Dales National Park Authority those matters we are required to state to them in this 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 Audit and Review Committee and management of Yorkshire Dales National Park Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

Confidential – All Rights Reserved



01 Executive Summary



Executive Summary – System wide and local context

Context for the audit – Department for Levelling-up, Housing and Communities (DLUHC) and Financial Reporting Authority (FRC) measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of our democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector need to work together to address this. Reasons for the backlog across the system have been widely reported and include:

- Lack of capacity within the local authority financial accounting professions
- Increased complexity of reporting requirements within the sector
- Lack of capacity within audit firms with public sector experience
- Increased regulatory pressure on auditors, which in turn has increased the scope and extent of audit procedures performed

DLUHC has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop and implement measures to clear the backlog. Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024" (the SI), together with the updated NAO Code of Audit Practice 2024 and the Local Authority Reset and Recovery Implementation Guidance, which have all been developed to ensure auditor compliance with International Standards on Auditing (UK) (ISAs (UK)), consist of three phases:

- Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024.
- Phase 2: Recovery from Phase 1 in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles.
- Phase 3: Reform involving addressing systemic challenges in the local audit system and embedding timely financial reporting and audit.

As a result of the system wide implementation of backstop dates we anticipate issuing a disclaimed audit opinion on the Authority's 2022/23 accounts. The proposed disclaimer of the Authority's 2022/23 accounts impacts the audit procedures that we have planned and undertaken to gain assurance on the 2022/23 financial statements and the form of the audit report.

Local Background and Context

Yorkshire Dales National Park Authority has been in a position to present draft statements of account for audit within the regulatory timeframe in recent years. Due to audit resource constraints, we were unable to schedule the 2022/23 audit in order to meet the reporting timeline of 30 September 2023 and then did not have the audit resource necessary to perform the 2022/23 audit for the Authority before the back stop date.

Confidential – All Rights Reserved



Executive Summary – Report structure and work completed

Report structure and work completed

This report covers the work we have completed to meet the requirements of the International Standards on Auditing (UK&I), (ISAs) and the Local Audit Reset and Recovery Implementation Guidance (LARRIGs) along with the National Audit Office Value for Money Code (NAO VFM Code). It has been split into the following sections.

Section 1 – Executive Summary – this section setting out the national and local context and the structure of our report.

Section 2 – Work Plan – We have completed the following planning tasks:

- Required independence procedures.
- Set a level of materiality.
- Issued letters of inquiry to Management, Those Charged with Governance, the Head of Internal Audit and the Monitoring Officer.
- Updated our understanding of the business, including through review of responses to inquiry letters, minute review and in discussion in our internal planning meeting,
- Identified significant, inherent and other areas of higher risk or focus.
- Considered any other matters that may require reporting to regulators or which may result in a modification to the audit report e.g. non-compliance with laws and regulations, objections, significant weaknesses in arrangements for value for money, any matters that may result in the use of the auditor's powers.

Section 3 – Results and findings - Work completed to issue the disclaimer, findings and results:

- Review of the financial statements.
- Consideration of any matters that came to light during our planning and review procedures in relation to laws and regulations, fraud, related parties, litigation and claims, significant changes to contracts and systems, service organisations, which we report as appropriate.
- Reporting on any other matters that may require the use of the auditor's powers, formal reporting or a modification to the auditor's report e.g. non-compliance with laws and regulations, objections, significant weaknesses in arrangements for value for money, any matters that may result in the use of the auditor's powers.

Section 4 – Value for money reporting

- The value for money report covering the year to 31 March 2023.

Section 5 - Appendices

Confidential – All Rights Reserved



02 Work Plan

Confidential – All Rights Reserved



Work Plan – Audit Scope

Audit scope

This Completion report covers the work that we performed in relation to:

- Our audit opinion on whether the financial statements of the Authority give a true and fair view of the financial position as at 31 March 2023 and of the income and expenditure for the year then ended; and
- Our commentary on your arrangements to secure value for money in your use of resources for the relevant period. We include further details on VFM in Section 4.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Authority's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

Given that Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024" (the SI) imposes a backstop date of 13 December 2024 by which date we are required to issue our opinion on the financial statements, we have considered whether the time constraints imposed by the backstop date mean that we cannot complete all necessary procedures to obtain sufficient, appropriate audit evidence to support the opinion and fulfil all the objectives of all relevant ISAs (UK).

This decision is in line with ISA 200: Failure to Achieve an Objective 24.

If an objective in a relevant ISA (UK) cannot be achieved, the auditor shall evaluate whether this prevents the auditor from achieving the overall objectives of the auditor and thereby requires the auditor, in accordance with the ISAs (UK), to modify the auditor's opinion or withdraw from the engagement (where withdrawal is possible under applicable law or regulation). Failure to achieve an objective represents a significant matter requiring documentation in accordance with ISA (UK) 230 (Revised June 2016).4 (Ref: Para. A77&A78)

Taking the above into account, for the years ended 31 March 2023 we have determined that we cannot meet the objectives of the ISAs(UK) and we anticipate issuing a disclaimed audit report.

Confidential – All Rights Reserved



Work Plan - Materiality

Materiality

Planning materiality

£243k

Materiality for y/e 31 March 2023 has been set at £243k, which represents 2% of 2023 gross expenditure on provision of services.

Performance materiality

£182k

Performance materiality for y/e 31 March 2023 has been set at £182k, which represents 75% of planning materiality.

Audit differences

£12k

We will report all uncorrected misstatements relating to the primary statements greater than £12k for y/e 31 March 2023. Other misstatements identified will be communicated to the extent that they merit the attention of the Audit and Review Committee.

In order to ascertain the significance of issues in the draft financial statements we have set materiality based on the 2022/23 audit year. We have considered updating this materiality for any key changes or known factors from that year. We determined that our audit procedures would be performed using a materiality of £243k. This level of materiality remains appropriate for the actual results for the financial year.

These materiality levels have been set based on the main Authority financial statements – we have not considered group materiality. These levels are being used to assess our response to any issues identified in the Authority's financial statements.

Confidential – All Rights Reserved



Work Plan – Significant, inherent and other risk areas

The following 'dashboard' summarises the significant accounting and auditing matters identified as part of our planning work. It seeks to provide Those Charged with Governance with an overview of our initial risk identification for the year.

Audit risks and areas of focus

Risk/area of focus	Applicable year	Risk identified	Change from PY	Details
Risk of fraud in revenue and expenditure recognition	31 March 2023	Fraud risk	No change in risk or focus	Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Authority, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.
Misstatement due to fraud or error	31 March 2023	Fraud risk	No change in risk or focus	There is a risk that the financial statements as a whole are not free from material misstatement whether caused by fraud or error. We perform mandatory procedures regardless of specifically identified fraud risks.
Valuation of land and buildings	31 March 2023	Inherent risk	No change / increase in risk or focus	The fair value of Property, Plant and Equipment (PPE) represents a significant balance in the Authority's accounts and is subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balance recorded in the Balance Sheet.

Confidential – All Rights Reserved



Work Plan – Significant, inherent and other risk areas

The following 'dashboard' summarises the significant accounting and auditing matters identified as part of our planning work. It seeks to provide Those Charged with Governance with an overview of our initial risk identification for the year.

Audit risks and areas of focus

Risk/area of focus	Applicable year	Risk identified	Change from PY	Details
Pension liability valuation	31 March 2023	Inherent risk	No change in risk or focus	The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by North Yorkshire County Authority. The Authority's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Authority's balance sheet. At 31 March 2022, this totalled £3.5 million. The information disclosed is based on the IAS 19 report issued to the Authority by the actuary to the Authority. Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Confidential – All Rights Reserved



Work Plan - Independence

The FRC Ethical Standard 2019 and ISA (UK) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in December 2019, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage

- The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us;
- The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;
- The overall assessment of threats and safeguards;
- Information about the general policies and process within EY to maintain objectivity and independence
- The IESBA Code requires EY to provide an independence assessment of any proposed non-audit service (NAS) to the PIE audit client and will need to obtain and document pre-concurrence from the audit committee/those charged with governance for the provision of all NAS prior to the commencement of the service (i.e., similar to obtaining a "pre-approval" to provide the service).
- All proposed NAS for PIE audit clients will be subject to a determination of whether the service might create a self-review threat (SRT), with no allowance for services related to amounts that are immaterial to the audited financial statements.

Final stage

- In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;
- Details of non-audit/additional services provided and the fees charged in relation thereto;
- Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner
- Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;
- Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and
- An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Note: All non-audit services are prohibited to the UK PIE/audit client, to its UK parent(s) and its controlled affiliates worldwide other than those services that are included in the permitted list of Section 330 of the EY UK and Ireland Independence policy. If any other services have been provided or services provided have not been pre-approved by the audit committee, please insert details and consult with PPD/Independence.

Similarly, entities which continue to meet the definition of an EU PIE need to ensure they have not provided any prohibited services to the EU PIE, its EU parent and controlled subsidiaries as per the UK and Ireland Independence Policy. If services have been provided that have not been pre-approved by the audit committee, please insert details and consult with PPD/Independence.

Confidential – All Rights Reserved



Work Plan - Independence

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of the Authority, your audit engagement partner and the audit engagement team have not been compromised.

Confidential – All Rights Reserved



03 Results and findings

Confidential – All Rights Reserved



Results and findings

Status of the audit

Our audit work in respect of the Yorkshire Dales National Park Authority opinion is substantially complete. The following items relating to the completion of our audit procedures were outstanding at the date of this report.

- Completion of subsequent events procedures;
- Receipt of a signed management representation letter

Value for Money

Our value for money (VFM) work is complete and reported in Section 4 of this report. We had identified no risks of significant weaknesses in arrangements. Having updated and completed the planned procedures in these areas we did not identify a significant weakness. See Section 4 of the report for further details.

Audit differences

We identified differences which are included in more detail in the following slide and summarised here:

- Differences noted between the prior year figures in 2022/23 draft financial statements and the 2021/22 audited financial statements
- Casting, formatting and internal inconsistencies were identified in the 2022/23 draft financial statements.
- Incorrect classification of a Pension Asset in the 2022/23 draft financial statements.

Other Reporting Issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Authority. We have no matters to report as a result of this work.

We have completed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts. We have no matters to report.

We have received no objections to the 2022/23 accounts from members of the public.

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. “a report in the public interest”). We did not identify any issues which required us to issue a report in the public interest.

Confidential – All Rights Reserved



Results and findings

Areas of audit focus

In our Audit Planning work we identified a number of key areas of focus for our audit of the financial report of the Authority. We concluded we would disclaim the audit and therefore have not completed detailed audit testing on these areas.

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Committee or Authority.

Control observations

During the audit, we identified no significant deficiencies in internal control.

Independence

Further to our review of independence in section 2 of this report we have not identified any issues to bring to your attention..

Confidential – All Rights Reserved



Results and findings

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Findings and issues around the opening balance on initial audits (if applicable);
- Related parties;
- External confirmations;
- Going concern;
- Consideration of laws and regulations; and
- Group audits

We have no other matters to report / we wish to bring the following other matters to your attention.

Confidential – All Rights Reserved



Results and findings

Detailed matters identified

Description of work completed	Finding	Conclusion	Recommendation
Financial Statements Prior Year Check	8 differences identified in Note 27 - Defined Benefit Pension Scheme in the 2022/23 Financial statements relating to the 2021/22 figures.	Difference between PY figures in the draft financial statements and the prior year audited accounts.	This will be reported as an other matter in our auditor report. We recommend that the Authority corrects their position for their 2023/24 and future financial statements.
Financial Statements Review	Pension Asset of £4,356 was incorrectly classified as a Pension liability in the 2022/23 Balance Sheet.	Incorrect classifications will need to be corrected in future	This will be reported as an other matter in our auditor report. We recommend that the Authority corrects their position for their 2023/24 and future financial statements.
Financial Statements Prior Year Check	9 differences identified in Note 24 - Related Parties in the 2022/23 Financial statements relating to the 2021/22 figures.	Difference between PY figures in the draft financial statements and the prior year audited accounts.	This will be reported as an other matter in our auditor report. We recommend that the Authority corrects their position for their 2023/24 and future financial statements.
Financial Statements Prior Year Check	2 differences identified in Note 23 - Officers' Remuneration in the 2022/23 Financial statements relating to the 2021/22 figures.	Difference between PY figures in the draft financial statements and the prior year audited accounts.	This will be reported as an other matter in our auditor report. We recommend that the Authority corrects their position for their 2023/24 and future financial statements.
Financial Statements Review	2 casting errors and 28 formatting issues were identified in the 2022/23 Financial statements.	Financial statements will need to be correctly cast and formatted in future	This will be reported as an other matter in our auditor report. We recommend that the Authority corrects their position for their 2023/24 and future financial statements.

Confidential – All Rights Reserved

Results and findings - Audit Report (cont'd)

Our opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORKSHIRE DALES NATIONAL PARK AUTHORITY

Disclaimer of opinion

We were engaged to audit the financial statements of Yorkshire Dales National Park Authority ('the Authority') for the year ended 31 March 2023. The financial statements comprise the:

- Authority Movement in Reserves Statement,
- Authority Comprehensive Income and Expenditure Statement,
- Authority Balance Sheet,
- Authority Cash Flow Statement
- the related notes 1 to 23 including a summary of significant accounting policies and including the Expenditure and Funding Analysis.

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 2022/23 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

We do not express an opinion on the accompanying financial statements of the Authority. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) which came into force on 30 September 2024 requires the accountability statements for this financial year to be approved not later than 13th December 2024.

We completed the audit of the 2021/22 financial statements and issued our audit opinion in July 2024. The backstop date and the wider requirements of the local audit system reset, meant we did not have the required resources available to complete the detailed audit procedures that would be needed to obtain sufficient appropriate audit evidence to issue an unmodified audit report on the 2022/23 financial statements. Therefore, we are disclaiming our opinion on the financial statements.

Matters on which we report by exception

Notwithstanding our disclaimer of opinion on the financial statements, performed subject to the pervasive limitation described above, we have nothing to report in respect of whether the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Authority.

We report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)
- we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in these respects.

Confidential – All Rights Reserved

Results and findings - Audit Report (cont'd)

Our opinion on the financial statements

Responsibility of the Treasurer

As explained more fully in the Statement of the Treasurer's Responsibilities set out on pages 11, the Treasurer 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 2022/23 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and for being satisfied that they give a true and fair view and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to cease operations, or has no realistic alternative but to do so.

The Authority 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 audit of the financial statements

Our responsibility is to conduct an audit of the Authority's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Authority 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 the Code of Audit Practice 2024 and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Confidential – All Rights Reserved

Results and findings - Audit Report (cont'd)

Our opinion on the financial statements

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2024, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in November 2024**,** as to whether the Authority had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Authority 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 Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

We certify that we have completed the audit of the accounts of the Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rob Jones (Key Audit Partner)

Ernst & Young LLP (Local Auditor)

Glasgow

Date

Confidential – All Rights Reserved



04 Value for Money

Confidential – All Rights Reserved



VFM - Executive Summary

Purpose

Auditors are required to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements. In addition, auditors provide an annual commentary on arrangements published as part of the Auditor's Annual Report. In doing so, we comply with the requirements of the 2020 Code of Audit Practice (the Code) and Auditor Guidance Note 3 (AGN 03).

The purpose of this commentary is to explain the work we have undertaken during the year and highlight any significant weaknesses identified along with recommendations for improvement. The commentary covers our interim findings for audit year 2022/23.

The Department for Levelling Up, Housing and Communities (DLUHC) has worked collaboratively with the Financial Reporting Authority (FRC), as incoming shadow system leader, and other system partners, to develop measures to address the delay in local audit. As part of the NAO consultation issued on 8 February 2024, there is a proposal to reduce the scope of the VFM reporting up to and including the 2022/23 financial year. However, the consultation states that where auditors have begun or already undertaken work that no longer falls under the reduced scope (if agreed once the consultation closes), they may still report on it in accordance with Schedule 4. We are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code to ensure a smooth transition to the 2023/24 audit year when auditors are required to meet the full Code reporting responsibilities.

The report sets out the following areas which have been assessed:

- Any identified risks of significant weakness, having regard to the three specified reporting criteria;
- An explanation of the planned responsive audit procedures to the significant risks identified;
- Findings to date from our planned procedures; and
- Summary of arrangements over the period covered by this report (Appendix A).

We will summarise our final view of the value for money arrangements as part of the Auditor's Annual Report once the audit report has been issued for 2022/23.

Confidential – All Rights Reserved



VFM - Executive Summary (continued)

Risks of Significant Weakness

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Authority committee reports;
- meetings with the Head of Finance;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Authority management and the finance team.

We completed our risk assessment procedures and did not identify any significant weaknesses in the Authority's VFM arrangements.

As a result, we have no matters to report by exception at this stage and we will report our final commentary in the Auditor's Annual Report later in the year.

Confidential – All Rights Reserved



VFM - Executive Summary (continued)

Reporting

Our commentary for 2022/23 is set out over pages 10 to 12. The commentary on these pages summarises our understanding of the arrangements at the Authority based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2022/23. Where appropriate we have understood arrangements to ensure retrospective conclusions can be made relating to 2022/23.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our Auditor's Annual Report and have been updated for 2022/23.

In accordance with the NAO's 2020 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures, and whether, at the time of this interim report, we have concluded that there is a significant weakness in the body's arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Authority plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
Governance: How the Authority ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weakness identified
Improving economy, efficiency and effectiveness: How the Authority uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified

Confidential – All Rights Reserved



Value for Money Commentary

Financial Sustainability: How the Authority plans and manages its resources to ensure it can continue to deliver its services

No significant weakness identified

The Authority has adhered to governance processes for setting a balanced budget and Medium Term Financial Strategy (MTFS). The budget and MTFS were underpinned by assumptions that we deemed reasonable and well supported.

The 2023/24 – 2025/26 budget for the Yorkshire Dales National Park Authority and the associated reserves strategy was approved by the Finance and Resources committee on 7th February 2023. A balanced budget was produced for 2023/24. This includes the planned use of £0.4m of Earmarked Reserves for IT, Estates, Plant and planned multi-year projects. The total planned expenditure is £10.6m. This is significantly 'over-achieving' against the Authority's objective (£9.1m), although less than the highest spending levels of 2022/23 of £12.7m. The planned expenditure will support the delivery of the following objectives:

- Providing almost £1m of funding for farmers and landowners through Defra's Farming in Protected Landscapes programme;
- Increasing the accessibility of visitor facilities;
- Producing a new Nature Recovery Plan for the National Park;
- Providing an efficient and effective Development Management service;
- Preparing a new Local Plan for the whole National Park.

The Authority has incorporated external challenges that have an impact on the budget, including the DEFRA core grant of £5.2m, a flat settlement with no inflationary increase over the three years. By the end of the three years, there will have been no increase in the grant for 8 years. In light of this, The Defra Secretary of State announced a 'one off' payment of £440k to assist with the current financial difficulties, particularly around inflationary pressures. The 'one off' payment will assist in addressing short term pressures; however, this will not address longer term financial challenges. Projected deficits going forward are forecast to rise, hence there is further structural attention required by the Authority, either by securing additional income or making further savings, in addition to a longer-term core funding commitment required from the Government.

Conclusion: Based on the work performed, the Authority had proper arrangements in place in 2022/23 to enable it to plan and manage its resources to ensure that it can continue to deliver its services

Confidential – All Rights Reserved

Value for Money Commentary (continued)

Governance: How the Authority ensures that it makes informed decisions and properly manages its risks

No significant weakness identified

The Authority had arrangements in place to ensure it made informed decisions and properly manage risks in 2022/23.

The annual risk management review, conducted by the Audit and Review Committee, provides members the opportunity to review the effectiveness of the arrangements for risk management, in line with the Authority's Risk Management Policy. The strategic and operational risk registers sets out the Authority's approach to risk management and provides a coherent picture of all the corporate processes which help to make sure risks are managed to acceptable levels.

Inherent in the corporate aims and outcomes are 'risks' that create uncertainty. The Authority recognises it has a duty to manage these risks in a structured way to help ensure delivery of priorities and to provide value for money services. The Authority implements an active process for identifying and managing truly strategic risks and how each risk and its components are controlled.

The Authority's internal auditors provide an independent appraisal function for the review of internal control systems. Internal Audit undertakes reviews of the main financial and operational systems, based on a risk analysis of the functions undertaken by service areas. This element of its work also contributes to the maintenance of a sound system of internal financial control. The internal audit review gave a year end opinion of Substantial assurance.

The Head of Internal Audit Opinion for 2022/23 was presented to the Audit and Review Committee on 18th April 2023. There were no significant control weaknesses which, in the opinion of the Head of Internal Audit, needed to be considered for inclusion in the Annual Governance Statement.

The Authority published their draft 2022/23 financial statements for audit, in line with the Audit and Accounts regulations, and advertised and held an inspection period for members of the public in line with these regulations.

We have assessed that the 2022/23 draft financial statements were arithmetically correct, agreed to the data in the general ledger, and materially prepared in line with the content required by the CIPFA Code. The Authority has carried out bank reconciliations during the year. Therefore, appropriate arrangements for financial reporting were in place during 2022/23.

Conclusion: Based on the work performed, the Authority had proper arrangements in place in 2022/23 to make informed decisions and properly manage its risks.

Confidential – All Rights Reserved

Value for Money Commentary (continued)

Improving economy, efficiency and effectiveness: How the Authority uses information about its costs and performance to improve the way it manages and delivers its services

No significant weakness identified

The Authority has arrangements in place to improve economy, efficiency and effectiveness. These derive from the Corporate Plan, setting out the Authority's priorities and objectives. The Audit and Review Committee assess progress towards achieving these objectives.

Setting meaningful objectives is a critical part of the Authority's corporate management. The objectives maintained in the Corporate Plan for 2022/23 were approved by Members at the Authority meeting in December 2021 and formed the basis for setting the subsequent budget for 2022/23.

Objectives are grouped under the National Park Management Plan's six 'ambitions for 2040'. For each objective, the Corporate Plan sets out the 'milestone' that the Authority want to reach by the end of this financial year, and this is used to guide the assessment of progress.

Out of the objectives set, 87% are either 'achieved' or 'on-course'. Notable projects to improve economy and effectiveness whilst driving efficiency include:

- Agreeing grants worth over £870,000 to support farmers and landowners through the Farming in Protected Landscapes programme;
- The Catchment Sensitive Farming programme has been extended to cover the whole of the National Park;
- Continuing to dealing with planning applications within government target times;
- Educational and skills-based activities delivered to almost 2,400 children.

In addition, the Finance & Resource Committee conducts a quarterly review of the Authority's financial performance and highlights any significant variances from the budgeted profile. The review conducted in 2023/24 Q1 noted that in overall terms the picture is positive. Spending is down on what was anticipated, principally to do with timing differences. Additional costs will be incurred as a consequence of the higher than anticipated pay award, likely to be covered by extra income. Reductions in planning fee income will be offset by additional income from other sources.

Conclusion: Based on the work performed, the Authority had proper arrangements in place in 2022/23 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

Confidential – All Rights Reserved



05 Appendices

Confidential – All Rights Reserved

Appendix A – Management representation letter

Management representation letter

This is the draft management letter template which Management will tailor and send back signed and dated prior to the opinion being issued.

Management Rep Letter

[To be prepared on the entity's letterhead] *[Date]*

Ernst & Young

This letter of representations is provided connection with your audit of the financial statements of Yorkshire Dales National Park Authority ("the Authority") for the year ended *31 March 2023*. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the Authority financial position as of *31 March 2023* and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist. Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with [the Accounts and Audit Regulations 2015 and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)].
2. We acknowledge, as members of management of the Authority, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and are free of material misstatements, including omissions. We have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the Authority, we believe that the Authority have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with [the CIPA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 20xx/xx (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022))], that are free from material misstatement, whether due to fraud or error.

Confidential – All Rights Reserved

Appendix A – Management representation letter

Management representation letter

This is the draft management letter template which Management will tailor and send back signed and dated prior to the opinion being issued.

Management Rep Letter

5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.
6. We confirm the Authority does not have securities (debt or equity) listed on a recognized exchange.
7. We have confirmed to you any changes in service organizations within the Authority since the last audited financial year.

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Authority's business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws or regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:

- involving financial improprieties;
- related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the [Council/Authority]'s financial statements;
- related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the [Council/Authority]'s activities, its ability to continue to operate, or to avoid material penalties;
- involving management, or employees who have significant roles in internal controls, or others; or
- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

Confidential – All Rights Reserved

Appendix A – Management representation letter

Management representation letter

This is the draft management letter template which Management will tailor and send back signed and dated prior to the opinion being issued.

Management Rep Letter

C. Information Provided and Completeness of Information and Transactions

1. We 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 matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of the Authority and committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the period to the most recent meeting on the following date: [list date].
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the applicable financial reporting framework.
6. We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From [the date of our last management representation letter or the beginning of the current period for initial audits through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

Confidential – All Rights Reserved

Appendix A – Management representation letter

Management representation letter

This is the draft management letter template which Management will tailor and send back signed and dated prior to the opinion being issued.

Management Rep Letter

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note *[X]* to the financial statements all guarantees that we have given to third parties.

E. Ownership of Assets

1. Except for assets capitalised under finance leases, the Authority has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collateral, other than those that are disclosed in Note *[X]* to the financial statements. All assets to which the Authority has satisfactory title appear in the balance sheet.
1. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the financial statements.
3. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
4. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. Except as disclosed in Note *[X]* to the financial statements, we have no other line of credit arrangements.

F. Use of the Work of a Specialist

We agree with the findings of the specialists that we engaged to evaluate the *[describe assertion]* and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

Confidential – All Rights Reserved

Appendix A – Management representation letter

Management representation letter

This is the draft management letter template which Management will tailor and send back signed and dated prior to the opinion being issued.

Management Rep Letter

G. Estimates

1. We confirm that the significant judgments made in making the *[insert name of the accounting estimate]* have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the *[insert name of the accounting estimate].*
3. We confirm that the significant assumptions used in making the *[insert name of the accounting estimate]* appropriately reflect our intent and ability to carry out *[describe the specific courses of action]* on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate(s), including those describing estimation uncertainty are complete and are reasonable in the context of the applicable financial reporting framework.
5. We confirm that appropriate specialized skills or expertise has been applied in making the insert name of the accounting estimate.
6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements.

H. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

I. Reserves

1. We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

J. Contingent Liabilities

We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the financial statements).

We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, except matters of routine, normal, recurring nature, that should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

Confidential – All Rights Reserved

Appendix A – Management representation letter

Management representation letter

This is the draft management letter template which Management will tailor and send back signed and dated prior to the opinion being issued.

Management Rep Letter

K. Going Concern

1. Note [X] to the financial statements discloses all the matters of which we are aware that are relevant to the [Council/Authority]'s ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

L. Subsequent Events

1. Other than……. described in Note [X] to the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

H. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises [describes the other information applicable to the entity] disc
2. We confirm that the content contained within the other information is consistent with the financial statements.

I. Climate-related matters

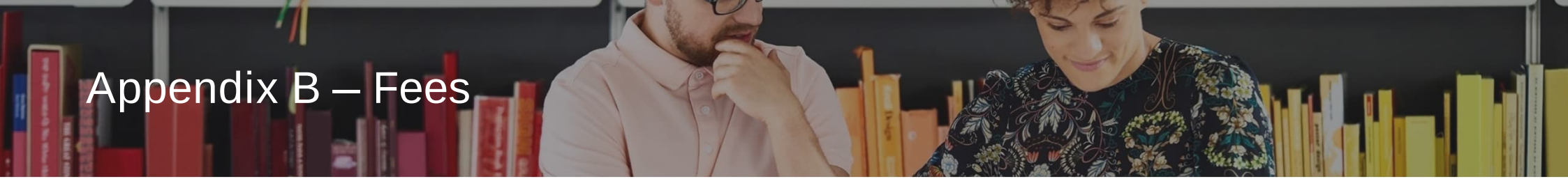
1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered [include the following language when climate-related commitments have been made, including the impact resulting from the commitments made by the Authority and reflected these in the consolidated and parent financial statements.

Yours faithfully,

_____
(Chief Financial Officer/Finance Director)

_____
(Chairman of the Audit Committee)

Confidential – All Rights Reserved



Appendix B – Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

The original fees for these years were based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our accounts opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Authority; and
- The Authority has an effective control environment
- The Authority complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See https://www.psaa.co.UK/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/.

In particular the Authority should have regard to paragraphs 26 - 28 of the Statement of Responsibilities which clearly sets out what is expected of audited bodies in preparing their financial statements. These are set out in full on the previous page.

Due to the reset, the above clearly will not be achieved and we will be liaising with PSAA Ltd to discuss and agree fees.

	Current Year	Scale fee	Prior Year
	£	£	£
Total Fee – Code Work	TBD	9,319	9,319
Other	TBD	-	TBD
Total audit	TBD	9,319	0
Other non-audit services not covered above (Housing benefits	-	-	-
Total other non-audit services	TBD	0	0
Total fees	TBD	9,319	0

All fees exclude VAT

As set out in the joint statement on update to proposals to clear the backlog and embed timely audit issued by DHLUC, PSAA will use its fee variation process to determine the final fee the Authority have to pay for the 2021/22 and 2022/23 audits.

Note 1 - PSAA Ltd, in line with the joint statement issued DLUHC (as at that date) and the FRC is responsible for the determination of the final audit fee in respect of 2022/23.

In doing so, PSAA Ltd will apply the principles that where auditors have worked in good faith to meet the requirements of the Code of Audit Practice in place at the time the work was conducted (and have reported on work that is no longer required), then they are due the appropriate fee for the work done, including where their procedures were necessary to conclude the audit by the legislatively imposed backstop date by way of a modified or disclaimed opinion and the body is due to pay the applicable fee.

Confidential – All Rights Reserved

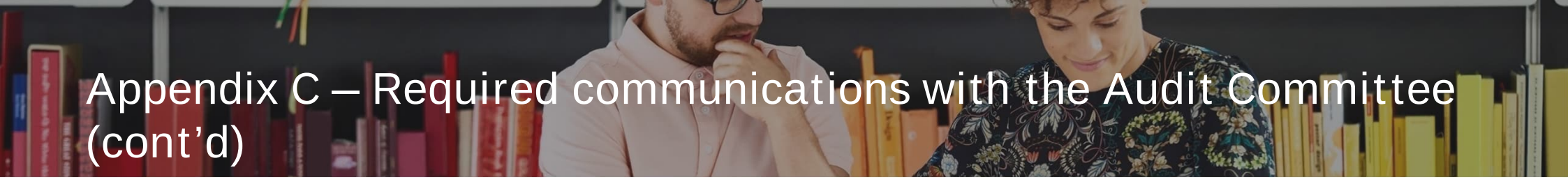


Appendix C – Required communications with the Audit Committee

We have detailed the communications that we must provide to the audit committee.

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of: ► The planned scope and timing of the audit ► Any limitations on the planned work to be undertaken ► The planned use of internal audit ► The significant risks identified When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	This Completion report for Those Charged with Governance – November 2024.
Significant findings from the audit	► Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ► Significant difficulties, if any, encountered during the audit ► Significant matters, if any, arising from the audit that were discussed with management ► Written representations that we are seeking ► Expected modifications to the audit report ► Other matters if any, significant to the oversight of the financial reporting process ► Findings and issues regarding the opening balance on initial audits (delete if not an initial audit)	This Completion report for Those Charged with Governance – November 2024.

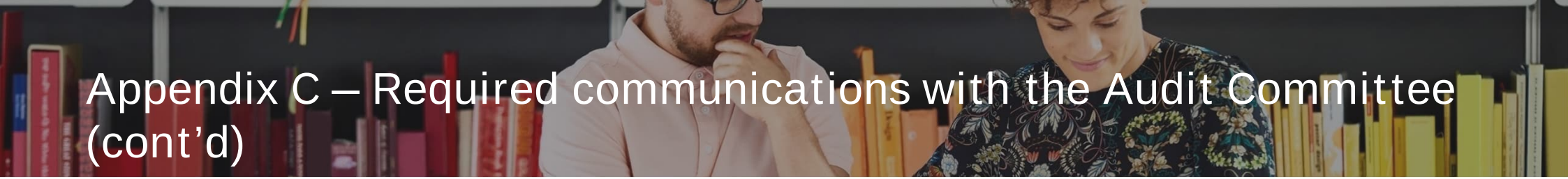
Confidential – All Rights Reserved



Appendix C – Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
	► Any other matters considered significant	
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ► Whether the events or conditions constitute a material uncertainty ► Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ► The adequacy of related disclosures in the financial statements	This Completion report for Those Charged with Governance – November 2024.
Misstatements	► Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ► The effect of uncorrected misstatements related to prior periods ► A request that any uncorrected misstatement be corrected ► Material misstatements corrected by management	This Completion report for Those Charged with Governance – November 2024.
Fraud	► Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ► Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ► Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements ► The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ► Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ► Any other matters related to fraud, relevant to Audit Committee responsibility	This Completion report for Those Charged with Governance – November 2024.

Confidential – All Rights Reserved

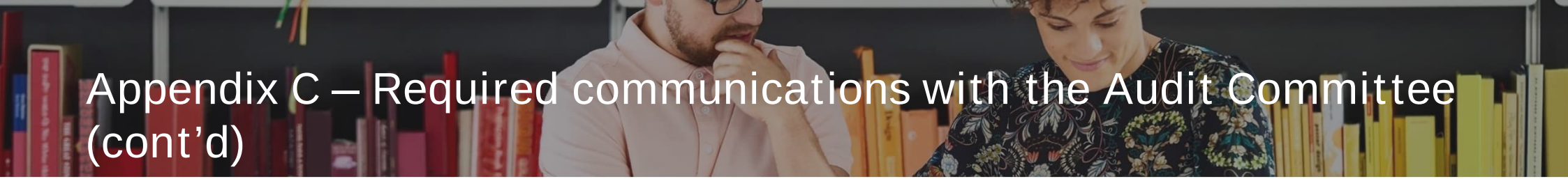


Appendix C – Required communications with the Audit Committee (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
Related parties	Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ► Non-disclosure by management ► Inappropriate authorisation and approval of transactions ► Disagreement over disclosures ► Non-compliance with laws and regulations ► Difficulty in identifying the party that ultimately controls the entity	This Completion report for Those Charged with Governance – November 2024.
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence ► Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ► The principal threats ► Safeguards adopted and their effectiveness ► An overall assessment of threats and safeguards ► Information about the general policies and process within the firm to maintain objectivity and independence Communication whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.	This Completion report for Those Charged with Governance – November 2024.

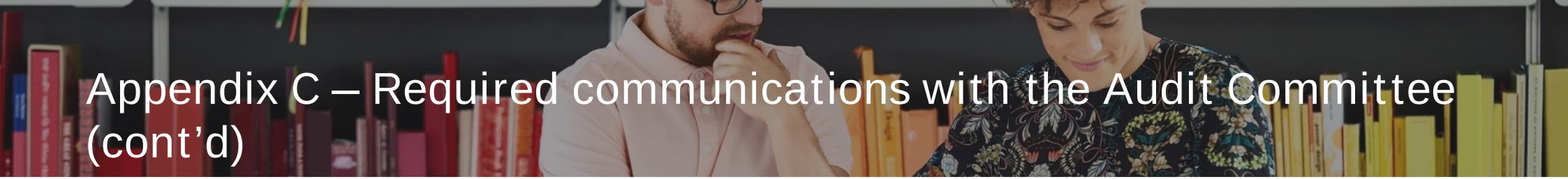
Confidential – All Rights Reserved



Appendix C – Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
	► A statement of compliance with the Ethical Standard, including any non-EY firms or external experts used in the audit ► Details of any inconsistencies between the Ethical Standard and Group's policy for the provision of non-audit services, and any apparent breach of that policy ► Where EY has determined it is appropriate to apply more restrictive rules than permitted under the Ethical Standard ► The audit committee should also be provided an opportunity to discuss matters affecting auditor independence	This Completion report for Those Charged with Governance – November 2024.
External confirmations	► Management's refusal for us to request confirmations ► Inability to obtain relevant and reliable audit evidence from other procedures	This Completion report for Those Charged with Governance – November 2024.
Consideration of laws and regulations	► Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ► Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of	This Completion report for Those Charged with Governance – November 2024.
Internal controls	► Significant deficiencies in internal controls identified during the audit	This Completion report for Those Charged with Governance – November 2024.

Confidential – All Rights Reserved



Appendix C – Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
	► Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements	This Completion report for Those Charged with Governance – November 2024.
Representations	Written representations we are requesting from management and/or those charged with governance	This Completion report for Those Charged with Governance – November 2024.
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	This Completion report for Those Charged with Governance – November 2024.
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	This Completion report for Those Charged with Governance – November 2024.
Auditors report	► Key audit matters that we will include in our auditor's report ► Any circumstances identified that affect the form and content of our auditor's report	This Completion report for Those Charged with Governance – November 2024.

Confidential – All Rights Reserved



Appendix D - Non-Compliance with Laws and Regulations (NOCLAR)

Non-Compliance with Laws and Regulations includes:

Any act or suspected act of omission or commission (intentional or otherwise) by the entity (including any third parties under the control of the entity such as subsidiaries, those charged with governance or management or an employee acting on behalf of the company), either intentional or unintentional, which are contrary to the prevailing laws or regulations

Management Responsibilities:

"It is the responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements."

ISA 250A, para 3

"The directors' report must contain a statement to the effect that… so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information."

ISA 250A, para 3

"Management is responsible for communicating to us on a timely basis, to the extent that management or those charged with governance are aware, all instances of identified or suspected non-compliance with laws and regulations …"

Audit Engagement Letter

Management's responsibilities are also set out in the International Ethics Standard Board of Accountants' International Code of Ethics (IESBA Code) Para 360.08

Auditor Responsibilities

The International Ethics Standard Board of Accountants' International Code of Ethics (IESBA Code) section 360 sets out the scope and procedures in relation to responding to actual or suspected non-compliance with laws and regulations.

Professional accountancy organisations who are members of the International Federation of Accountants (IFAC), such as the Institute of Chartered Accountants in England and Wales (ICAEW) are required to adopt the IESBA Code of Ethics.

We as your auditor are required to comply with the Code by virtue of our registration with ICAEW.

"If the auditor becomes aware of information concerning an instance of non-compliance or suspected non-compliance with laws and regulations, the auditor shall obtain:

An understanding of the nature of the act and the circumstances in which it has occurred; and

Further information to evaluate the possible effect on the financial statements

The auditor shall evaluate the implications of the identified or suspected non-compliance in relation to other aspects of the audit, including the auditor's risk assessment and the reliability of written representations, and take appropriate action."

ISA 250A, paras 19 and 22

Examples of Non-Compliance with Laws and Regulations (NOCLAR)

Matter	Implication
► Suspected or known fraud or bribery	► Potential fraud/breach of anti-bribery legislation
► Health and Safety incident	► Potential breach of section 2 of the Health and Safety at Work Act 1974
► Payment of an unlawful dividend	► Potential breach of Companies Act 2006
► Loss of personal data	► Potential GDPR breach
► Allegation of discrimination in dismissal	► Potential non-compliance with employment laws
► HMRC or other regulatory investigation	► Suspicion of non-compliance with laws/regulations
► Deliberate journal mis-posting or allegations of financial impropriety	► Potential fraud / breach of Companies Act 2006
► Transacting business with sanctioned individuals	► Potential breach of sanctions regulations

Confidential – All Rights Reserved

Appendix D - Non-Compliance with Laws and Regulations (NOCLAR) (cont'd)

What are the implications of NOCLAR matters arising?

Depending on the nature and significance of the NOCLAR matter the following steps are likely to be required, involving additional input from both management and audit.

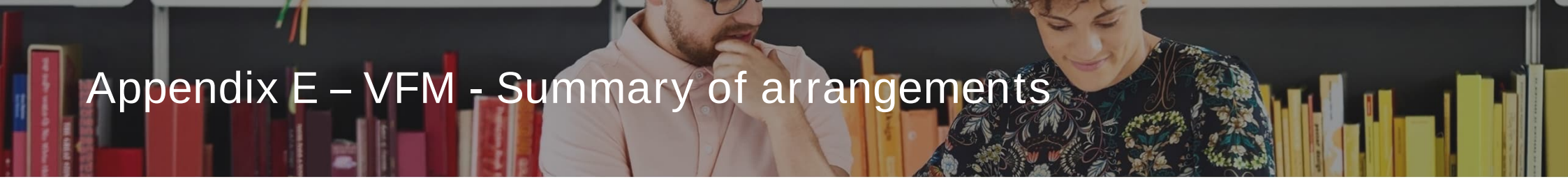
This can have an impact on overall achievability of audit timeline and fees.

Across our portfolio of audits we have seen a steady increase in NOCLAR matters that need to be addressed as part of the audit over the past 3 years



Management response:	Key Reminders:	Audit response:
Timely communication of the matter to auditors (within a couple of days)	▸ Make sure that all areas of the business are aware of what constitutes actual or potential non-compliance and associated requirements	Initial assessment of the NOCLAR matter and its potential impact
Determine who will carry out any investigation into the matter – in-house or external specialists or mix of both	▸ Communicate with us as your auditors on a timely basis – do not wait for scheduled audit catch-ups	Initial consultation with risk team to determine responsive procedures and the involvement of specialists
Scope the investigation, in discussion with the auditors	▸ Engage external specialists where needed	Understand and agree scope of management's investigation with support from specialists as needed
Evaluate findings and agree next steps	▸ Ensure that your investigation assesses any wider potential impacts arising from the matter, not just the matter itself.	Evaluate findings and undertake appropriate audit procedures
Determine effect on financial statements including disclosures	▸ Plan upfront and consider any impact on overall accounts preparation and audit timeline – discuss the implications with us as your auditor	Determine audit related impact including accounting and disclosure and audit opinion implications
Prepare a paper, summarising the outcome of the investigation and management's conclusions		Document and consult on the outcome of our procedures
Communicate the outcome to Those Charged With Governance (TCWG) and to us as your auditors. Report to regulators where required.		Communicate the outcome with management, TCWG and where necessary other auditors within the group or regulators

Confidential – All Rights Reserved



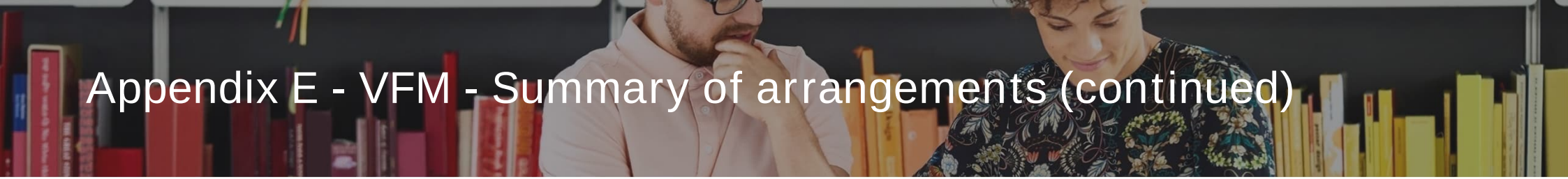
Appendix E – VFM - Summary of arrangements

Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the year 2022/23.

Reporting criteria considerations	Arrangements in place
How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Authority produce an annual setting of the Medium-Term Financial Plan which looks ahead in detail at the next 3 years. This plan also includes a forecast at the Senior Manager Level over a 5 year projection to consider potential issues. Budget Managers and senior managers feed into this process to identify sources of income and costs. HR and Finance also produce a plan which includes a detailed budget of staffing costs.
How the body plans to bridge its funding gaps and identifies achievable savings	The Authority looks for opportunities outside its core grant to bring in external funding, providing the required outputs to meet with National Park purposes and objectives. The authority has external funding almost at the same level of the Core Grant. In 2009, the Authority lost 25% of the core grant, initiating a major cost saving exercise which involved reduced overhead spending, a changed expense policy and a restructure of 30 staff. The Authority has demonstrated its readiness to address potential future financial challenges.
How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities; How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system	The Authority publishes a 5 year Management Plan, compiled with stakeholders and other bodies within the National Park. This sets out the priority areas which all the partners are going to focus on in the next 5 year period. The Authority produces a Corporate Plan which breaks this down into actions and objectives for the coming year, with annual targets towards reaching the goals of the National Park Plan. Priorities are set by Members and finances are allocated broadly in line with the 3 sets of programmes: • Priority • Adequate • Limited Priority programmes receive the most financial support to meet objectives. Overheads are allocated funding on the basis of need, all statutory officer posts are in place, and audit, insurance and other statutory functions are properly financed.

Confidential – All Rights Reserved



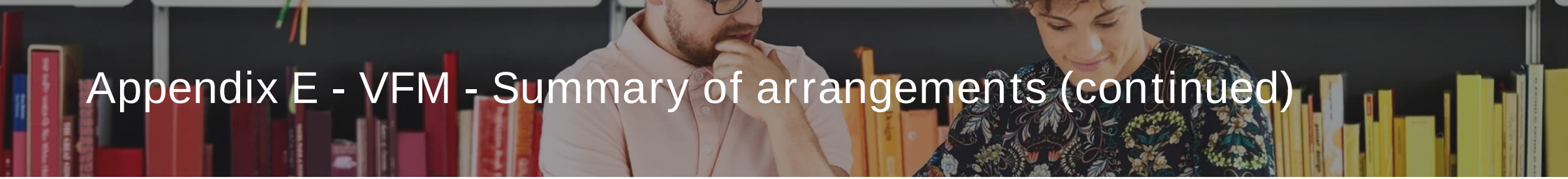
Appendix E - VFM - Summary of arrangements (continued)

Financial Sustainability (continued)

We set out below the arrangements for the financial sustainability criteria covering the year 2022/23.

Reporting criteria considerations	Arrangements in place
How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans	The Authority operates a thorough Risk Management process, covering operational and strategic risks. Their core financial risk is the continuity of government funding, but as this is announced at least before each financial year this income is predictable and essentially guaranteed. Where reductions in core grants are announced, the Authority holds contingency reserves to fund the shortfall or allows for restructuring costs. In terms of 'paid for' services, the material income is 'Planning' and 'Car Parking'. Car park income is monitored closely as this represents the largest source of non-DEFRA income (excluding short term ring-fenced grants). The Authority use past results to project future income budgets, which are set prudently. The Authority actively seek new grant funding opportunities to cover key objectives and to cover some of the overhead costs to run projects. Where large projects have an end date, the entity proactively identifies funding streams which can replace the projects to maintain the level of activity and to redeploy the staff who would otherwise leave the organisation. The Authority recognises the potential for further reductions in the DEFRA core grant, necessitating additional operational savings. The Authority's budget highlights that the DEFRA core grant is a flat settlement with no inflationary increase over the three years, meaning the grant has not changed for 8 years. The Authority has identified mitigations to put in place.

Confidential – All Rights Reserved



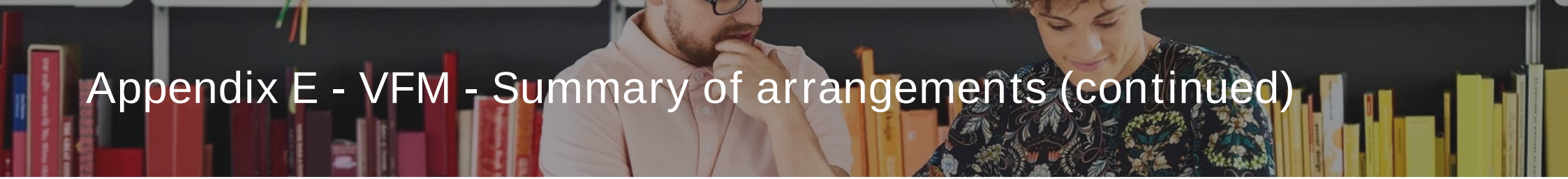
Appendix E - VFM - Summary of arrangements (continued)

Governance

We set out below the arrangements for the governance criteria covering the year 2022/23.

Reporting criteria considerations	Arrangements in place
How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	The Risk Management process is routinely updated. Internal controls are reviewed via an internal audit programme managed and delivered by the Authority's internal auditors, Veritau. In addition, the Authority employs one fully qualified accountant who is versed in the correct operation of financial controls, and a Solicitor / Monitoring Officer who advises on legal matters. The Authority does not face typical risks associated with local authorities, since they do not deal with social funding issues, including housing, rates, and collection. The Authority has arrangements to prevent and detect fraud, including restricting access to the finance system, SUN, exclusively to the finance team. In addition, appropriate restrictions are placed on staff dependant on their positions, purchase orders are electronically passed through the authorisation process in a secure application, Proactis. Payment runs are checked by Director of Corporate Services and one other Finance Member before payments are authorised.
How the body approaches and carries out its annual budget setting process	Salary budgets are set centrally by HR/Payroll and are based on individual posts. New staff added in year receive appropriate budget through the virement process where money is taken from reserves and added to budget. Each Director fills out a budget bid for every programme, and corporate managers will ask for allocations based on last year's allocation plus or minus changes in circumstances. Capital expenditure is profiled, and any specific reserves are used to balance off the capital spend. There is a 5 year allocation set aside from reserves to manage the spikes in expenditure on capex. This information then feeds into a central budget sheet which is discussed at a Senior Managers Meeting with Directors and the Monitoring Officer. Any new posts are considered along with any proposed new expenditure before being agreed. Income streams are only included at this point if confirmed to go ahead, other additional income will be added mid-year when certain. SMT will decide how much if any of general reserves can be used to balance the budget if there is a deficit. The draft budget then goes to Members (Authority) meeting by the end of March to discuss, and, if agreed becomes the budget targets for the following year.

Confidential – All Rights Reserved



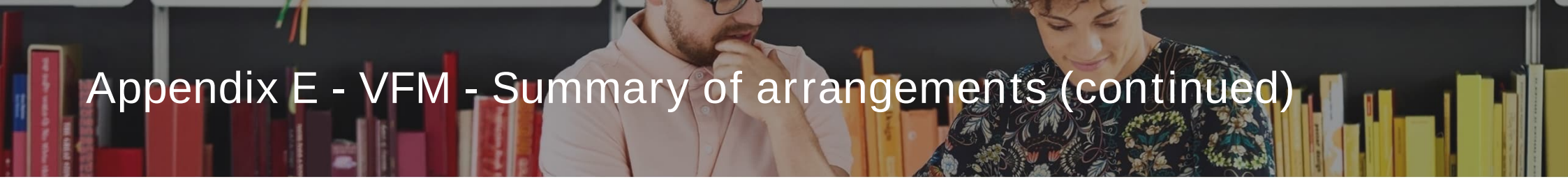
Appendix E - VFM - Summary of arrangements (continued)

Governance (continued)

We set out below the arrangements for the governance criteria covering the year 2022/23.

Reporting criteria considerations	Arrangements in place
How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed	The Head of Finance produces monthly financial management reports for the Senior Management Team (SMT) who discuss the figures at SMT meetings. This is also extended to Heads of Sections and Budget Managers, who are asked to feedback any issues they are having with their budgets. Quarterly reports are produced for Members, and they discuss at Finance & Resource meetings throughout the year, which are made publicly available. Members also get updated reports on objectives so they can also see how the Authority is performing against the annual targets, not just the financial ones.
How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee	Governance at the Authority is achieved within a framework of delegation and Financial Regulations. In line with our expectation, the Authority applies a formalised approach, with the necessary supporting information supplied at the point that decision-making takes place. An example includes detailed budget information supplied to the Finance Committee when the annual draft budget is prepared.
How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)	The authority employs a Solicitor/ Monitoring Officer, who deals with these issues at a corporate level. This is in addition to a further Solicitor/ Deputy MO, who has specific responsibility for ensuring that the entities planning service remains compliant with the complex regulations associated with planning law. To support member compliance, the authority has a process for controlling and reporting gifts & hospitality, declarations and conflicts of interest overseen by their standards Committee.

Confidential – All Rights Reserved



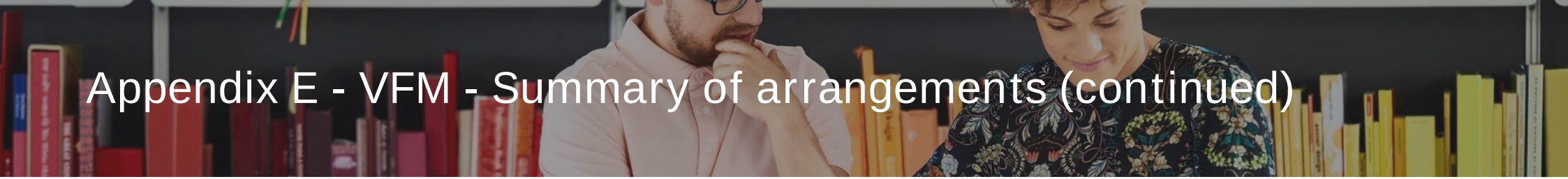
Appendix E - VFM - Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2022/23

Reporting criteria considerations	Arrangements in place
How financial and performance information has been used to assess performance to identify areas for improvement	The Senior Management Team undertake budget monitoring activities monthly, Members of the Finance & Resources Committee complete these activities quarterly. Both financial and outcomes-based performance management information is used to assess progress made against corporate targets, and to identify areas where additional resources, or a different approach to delivery that may be required.
How the body evaluates the services it provides to assess performance and identify areas for improvement	The Authority undertake an annual programme of project and performance reviews, which are decided each year by Members. Where the entity considers a third party view would be beneficial, the review in question is contracted outside the organisation. For example, the internal auditors have reviewed the implementation of the Planning IT system. The Authority also undertake a mid-year and year end review of performance.
How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve	The Authority works with many 'partners', most of these are, in legal terms, closer than associations. For instance, there is no formal partnership delivery, but a collection of organisations to discuss common ground. For all our 'partnerships' and associates, the Authority undertakes an annual review, to ensure that the resources being expended on such work are manageable and that the arrangements, however constituted, are appropriate. One more formal arrangement is the Westmorland Dales Project. This is a Heritage Lottery funded scheme which has the Authority working in formal partnership with the Friends of the Lake District. Arrangements have been formalised and the project is managed by a dedicated, and independent, board and by a management team made up of officers from both organisations; this project includes extensive stakeholder engagement as one of its outcomes.

Confidential – All Rights Reserved



Appendix E - VFM - Summary of arrangements (continued)

Improving economy, efficiency and effectiveness (continued)

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2022/23.

Reporting criteria considerations	Arrangements in place
How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits	The Authority purchases various goods and services as part of their operations. The entity does not contract-out entire services (e.g., planning, or the operation of car parks/toilets). The Solicitor / Monitoring Officer actively supports procurement activity. To develop staff competency, the MO arranges training for officers with responsibility for buying, especially where that officer is directly involved in scheduling any 'larger' procurements, which might approach regulated procurement thresholds where additional legal processes must be adhered to. Payments are made for the supply of goods and services, so the expected benefits have been realised at the point of purchase. The only procurement services operated by the Authority are cash collection and cleaning (incl. public toilets), the quality of the service must be monitored by the budget manager on a continuous basis.

Confidential – All Rights Reserved



Appendix F – PSAA Statement of Responsibilities

As set out on the next page our fee is based on the assumption that the Authority complies with PSAA's Statement of Responsibilities of auditors and audited bodies. In particular the Authority should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements. We set out these paragraphs in full below:

Preparation of the statement of accounts

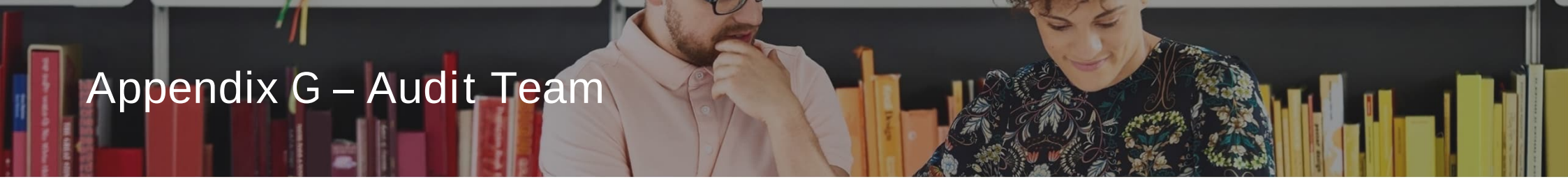
26. Audited bodies are expected to follow Good Industry Practice and applicable recommendations and guidance from CIPFA and, as applicable, other relevant organisations as to proper accounting procedures and controls, including in the preparation and review of working papers and financial statements.

27. In preparing their statement of accounts, audited bodies are expected to:

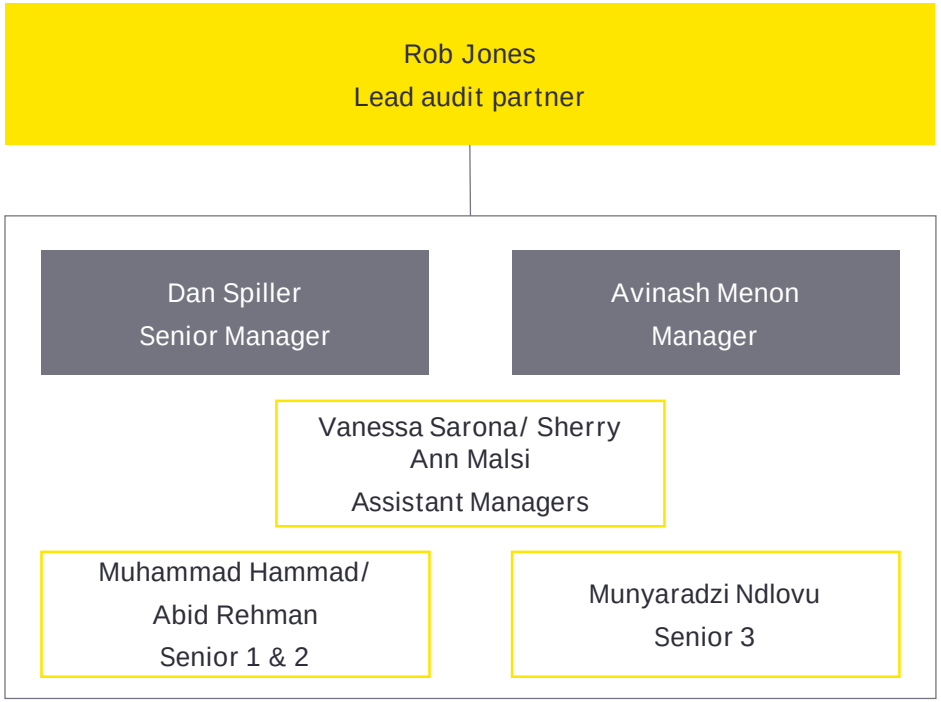
- *prepare realistic plans that include clear targets and achievable timetables for the production of the financial statements;*
- *ensure that finance staff have access to appropriate resources to enable compliance with the requirements of the applicable financial framework, including having access to the current copy of the CIPFA/LASAAC Code, applicable disclosure checklists, and any other relevant CIPFA Codes.*
- *assign responsibilities clearly to staff with the appropriate expertise and experience;*
- *provide necessary resources to enable delivery of the plan;*
- *maintain adequate documentation in support of the financial statements and, at the start of the audit, providing a complete set of working papers that provide an adequate explanation of the entries in those financial statements including the appropriateness of the accounting policies used and the judgements and estimates made by management;*
- *ensure that senior management monitors, supervises and reviews work to meet agreed standards and deadlines;*
- *ensure that a senior individual at top management level personally reviews and approves the financial statements before presentation to the auditor; and*
- *during the course of the audit provide responses to auditor queries on a timely basis.*

28. If draft financial statements and supporting working papers of appropriate quality are not available at the agreed start date of the audit, the auditor may be unable to meet the planned audit timetable and the start date of the audit will be delayed.

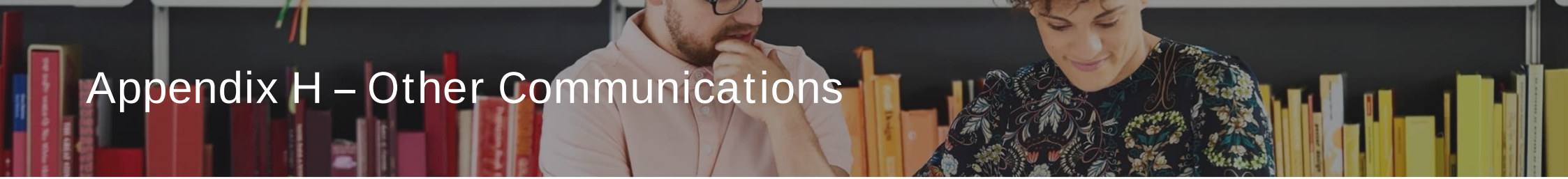
Confidential – All Rights Reserved



Appendix G – Audit Team



Confidential – All Rights Reserved



Appendix H – Other Communications

EY Transparency Report 2023

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the period ended 30 June 2023 and can be found here: EY UK 2023 Transparency Report.

Confidential – All Rights Reserved

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

© 2024 Ernst & Young LLP. Published in the UK.
All Rights Reserved.

UKC-024050 (UK) 07/22. Creative UK.

ED None

Information in this publication is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Ernst & Young LLP accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

ey.com/UK