Yorkshire Dales National Park Authority **Item 10**

Audit & Review Committee

16 July 2024

External Audit Annual Report - Financial Year 2021/22

Purpose of the Report

1. To present the External Auditor's Annual Report, summarising the significant findings arising from the 2021/22 audit.

Recommendation

2. Members are requested to note the report.

Strategic Framework

3. The information and recommendation contained in this report are consistent with the Authority's statutory purposes and support the strategic planning framework:
   - Corporate Plan Objective 32:
     Operate governance arrangements that are fit for purpose, as reported through the Annual Governance Statement and the Annual Governance Report.

Background

4. Completion of the external audit of the Authority's annual accounts for 2021/22 was delayed significantly, due to increased audit requirements and a lack of staff with relevant experience of local government accounting at our external auditor, Ernst & Young LLP (EY). Delays to Local Authority audits by all audit firms have been well publicised and a backstop date of the end of September is being proposed to conclude all audits up to 2022/23 by September 2024.

5. Our 2021/22 accounts were finally signed off on 24 June 2024. The external auditor gave an unqualified opinion, with no 'going concern' or value for money issues identified. The Audited accounts can be found on our website here: https://www.yorkshiredales.org.uk.

6. The remaining outcome required from the external audit 'cycle' is the issuing of the Auditor's Annual Report: this is now attached to this report. As explained in the 'Executive Summary' section of the Report, no problems were identified in relation to

the 2021/22 audit, and an unqualified audit opinion was given. This provides a level of assurance over the adequacy of the systems used in preparing the annual accounts.

Financial Implications

7. The delay in the Audit process has created additional workload as factors up to the date of signing the account have to be re-analysed both by Authority staff and Auditors.

Legal Implications

8. None.

Equality, Diversity and Inclusion Implications

9. None.

Risk Management

10. Annual external audits form a major part of the Authority Governance Framework, confirming the Authority represents Value for Money, and that the figures presented are a true and accurate representation of the financial affairs of the Authority. Audit can also determine that there are no identified risks such as fraud, errors or omissions.

11. Providing an opinion in July 2024 on accounts which are 3 years old has limited value. There has been a consultation regarding the backlog of Local Government audits, with a recommendation that a backstop date of 30 September 2024 be implemented for all audits up to 2022/2023. New legislation is required to implement this, which has been delayed by the election. A separate report on the value for money opinion for 2022/23 is being presented in this meeting.

Conclusion

12. The process of issuing this Report enables the external auditor to bring directly to Members attention any issues that they might identify during their audit work. This 'direct line' for reporting helps to strengthen the Authority's approach to corporate governance.

Michelle Clyde
Head of Finance

Background Papers: https://www.gov.uk/government/consultations/addressing-the-local-audit-backlog-in-england-consultation