Yorkshire Dales National Park Authority **Item 11**

Audit & Review Committee

26 November 2024

Local Audit Backlog - Rebuilding Assurance

Purpose of the Report

1. To present the report from the Financial Reporting Council (FRC) which details the approach auditors will take over the coming years to get auditing regimes back on track.

Recommendation

2. Members are recommended 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. Members will be well aware of the backlog audit issues faced by Local Government.

5. The guidance from the Financial Reporting Council (see **Annex**) sets out how the Government now intends to clear the huge backlog of audits. In addition to legislation to change the dates by which outstanding audits must be completed, auditors can also reduce the scope of the audits if they do not have the resources to fully audit all closing balances in a year.

6. The key thing to note about the guidance, is that it may mean that the Authority could face more than one year of limited (disclaimed) audits whilst auditors are catching up with the backlog.

7. Until Forvis Mazars start the audit for 2023/24 on 9 December 2024, it is unknown whether the Authority will be affected by these rules, or if a full 'normal' audit will be possible.

8. CIPFA, PSAA, the FRC and other bodies will also be working to review the scope of the audits for future years to reduce the work involved in producing accounts and auditing them, making them fit for purpose, less expensive, and more useful to the end user. Views have been sought from Local Government Finance Officers to assist in the consultation.

Financial Implications

9. High quality External Audits are part of good governance, and provide independent validation of the value for money opinion, comfort that the financial statements are not materially misstated, fraud has not been detected and the Authority is a going concern. Without full audits the validation and assurance is weakened.

10. Financial processes were robust throughout the unaudited period so internal assurance remains strong.

Legal Implications

11. None.

Equality, Diversity and Inclusion Implications

12. None.

Conclusion

13. Full auditing needs to re-commence as soon as possible, but Members need to be aware that this is very much in the hands of our external auditors and their available resources. The Authority will provide every assistance to the auditors to enable them to provide a full audit as soon as possible.

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