Yorkshire Dales National Park Authority **Item 14**

Audit & Review Committee

26/11/2024

Annual Audit Report 2022/23 – Ernst & Young

Purpose of the Report

1. To present the External Auditor's Annual Report, summarising the auditor's opinion on the 2022/23 accounts and value for money opinion.

Recommendation

2. Members are asked to note the report.

Strategic Framework

3. The information and recommendation(s) contained in this report are consistent with the Authority's statutory purposes and support the strategic planning framework:

    - Corporate Plan Objective 36:
      Operate governance arrangements that are fit for purpose, as reported through the Annual Governance Statement and the Annual Governance Report.

Background

4. As Members will be well aware, there is a backlog in Local Government Audits, and new backstop legislation was brought in to address the issue. Backstop dates were introduced for each outstanding audit year by which audit opinions are published, for 2022/23 the backstop date is 13 December 2024.

5. Due to staffing constraints Ernst & Young have not performed a full audit for this year so the financial statement balances are not independently verified, meaning the audit opinion is disclaimed. They have performed the value for money audit and no significant weaknesses were found.

Financial Implications

6. The fee for 2022/23 should reflect the amount of work performed on the audit and value for money opinion.

7. There will be implications for the following year 2023/24 which is being audited by the new auditors Mazars. If resources are available during this audit to verify the opening balances of 2022/23 there will be an additional charge for the increased workload. If they are not able to do this work, the accounts for 2023/24 may also be disclaimed.

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 a disclaimed opinion in November 2024 on accounts for 2022/23 has limited value and does not address the issues above. No testing or verification has been performed on the financial transactions for 2022/23, if material errors or omissions are undetected this could lead to misleading financial accounts which do not reflect the true position of the Authority.

12. The accounts have been prepared in the usual manner, and assurances have been sought from external experts on the two largest balances, the Pension Scheme and the Fixed Asset valuations.

13. A separate report is being tabled at this meeting on building back assurance which gives a roadmap to resuming normal auditing services over the next few years.

Conclusion

14. The process of issuing this audit opinion and value for money opinion brings the financial year 2022/23 to a close. The accounts and letter of representation will be signed by the Chair of Finance & Resources by the backstop date.

Michelle Clyde
Head of Finance

Background Papers: Local Audit Backlog Building Back Assurance