Yorkshire Dales National Park Authority **Item 6**

Finance & Resources Committee

25 February 2025

Audit Completion Report 2023/24

Purpose of the Report

1. To present the external auditors Audit Completion Report findings for 2023/24, and to obtain Members approval for the revised Statement of Accounts (SoFA) and Annual Governance Statement (AGS).

Recommendations

2. That Members:

    a. note the Audit Completion Report

    b. approve that the Chair of the F&R committee sign the revised Statement of Accounts and Annual Governance Statement for 2023/24.

Strategic Framework

3. The information and recommendations 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.

Background

4. Members may be aware that the 2022/23 accounts were disclaimed due to the absence of a full audit. The Authority was made aware, at the Audit and Review Committee meeting in November 2024, that this may have a knock on effect on the 2023/24 opinion due to unverified opening balances. The consequence is that, despite having completed a full audit, the Authority has received a disclaimed audit opinion for 2023/24.

5. The Audit Completion Report presented by Forvis Mazars in the **Appendix** gives a summary of the audit.

6. The audit timetable was modified by Government, this requires the publication of the 2023/24 final audited accounts by 28 February 2025, the 2023/24 audit is substantially concluded.

7. The Accounts and Audit Regulations 2015 require the Treasurer to sign and date the pre-audit SoFA, certifying that it presents a true and fair view of the financial position of the Authority. The draft SoFA was signed on 31st May 2024, but will be re-signed following the audit.

8. During the course of the audit, the SoFA was adjusted for one material error of £93k, this related to Grow Back Greener where project income had already been received in 2023/24 but was also incorrectly accounted for as a Debtor. As the SoFA is now different to the draft version tabled at Finance and Resources Committee in October 2024, Members are asked to approve the updated SoFA.

9. The effect of this adjustment on the draft SoFA for 2023/24, was to decrease the income and to decrease reserves by £93k. The full updated 2023/24 SoFA and AGS can be found here, and will be published on the Authority website when approved.

Financial Implications

10. Income/reserves in 2023/24 were overstated by £93k, this has now been corrected.

Legal Implications

11. None, the backstop date has been met.

Equality, Diversity and Inclusion Implications

12. None

Michelle Clyde
Head of Finance



Audit Completion Report

Yorkshire Dales National Park Authority – year ended 31 March 2024

13 February 2025

Appendix

forvis mazars

Members of the Finance & Resources Committee (and full Authority)
Yorkshire Dales National Park Authority
Yoredale
Bainbridge
North Yorkshire
DL8 3EL

13 February 2025

Forvis Mazars
The Corner
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF

Dear Members of the Finance & Resources Committee and full Authority

Audit Completion Report – Year ended 31 March 2024

We are pleased to present our Audit Completion Report for the Yorkshire Dales National Park Authority for the year ended 31 March 2024. The purpose of this document is to summarise our audit and to explain how the statutory backstop arrangements introduced by the Accounts and Audit (Amendment) Regulations 2024, have affected the completion of our work and the reporting consequences. We consider two-way communication with you to be key to a successful audit and particularly important in the context of the backstop arrangements as it facilitates:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;
- sharing information to assist each of us to fulfil our respective responsibilities; and
- providing you with constructive observations arising from the audit process even though this has been curtailed by the backstopped arrangements.

As it is a fundamental requirement that an auditor is, and is seen to be, independent of audited bodies, Appendix C of this document summarises our considerations and conclusions on our independence as auditors.

The scope of our work, including identified significant audit risks, and other key judgement areas, was outlined in our Audit Strategy Memorandum, dated 30 October 2024, which we presented to the Audit and Review Committee on 26 November 2024.

We have reviewed our Audit Strategy Memorandum and concluded that the significant audit risks and other key judgement areas set out in that report remain appropriate.

Members will be aware that our predecessor auditor issued a disclaimed opinion on the prior year statement of accounts for 2022/23.

The Authority published its 2022/23 audited statement of accounts on 3 December 2024, shortly before the backstop date of 13 December 2024. The prior year auditor issued a disclaimed opinion due to their own resource constraints.

We have carried out a full audit of the 2023/24 financial statements. Our findings and conclusions from this are summarised in this report. However, we were unable to obtain assurance regarding the opening balances due to the disclaimer of opinion for the 2022/23 period by our predecessor auditor, in advance of the backstop date of 28 February 2025. This means that despite all the work we have undertaken, we must also issue a disclaimed opinion on the 2023/24 financial statements.

We will continue to work closely with you and management to take the necessary steps to rebuild assurance over future accounting periods. We will report further details to you on the rebuilding process in the coming months. In line with the guidance issued by the National Audit Office, as endorsed by the Financial Reporting Council, we hope to return to a standard audit cycle where we are able to obtain sufficient, appropriate evidence in order to issue an unmodified audit opinion in as short a period as practicable.

I would like to express our thanks for the assistance of your team during the course of our audit. If you would like to discuss any matters in more detail then please do not hesitate to contact me on 0191 383 6300.

Yours faithfully

Gavin Barker

Gavin Barker
Forvis Mazars LLP

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Our reports are prepared in the context of the 'Statement of Responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited.
Reports and letters prepared by appointed auditors and addressed to the Authority are prepared for the sole use of the Authority and we take no responsibility to any member or officer in their individual capacity or to any third party.

01

Executive Summary

Executive summary

Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2023/24 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- management override of controls;
- the Net Defined benefit pension liability or asset; and
- the valuation of property, plant and equipment and heritage assets.

Government has recently introduced measures intended to resolve the local government financial reporting backlog. Amendments to the Accounts and Audit Regulations require the Authority to publish its audited 2023/24 financial statements and accompanying information on or before 28 February 2025. In accordance with the Code, we are required to provide our audit report on those financial statements in sufficient time to enable the Authority to meet these responsibilities, whether the audit is completed or not.

Members will be aware that our predecessor auditor issued a disclaimed opinion on the prior year statement of accounts for 2022/23.

The Authority published its 2022/23 audited statement of accounts on 3 December 2024, shortly before the backstop date of 13 December 2024. The prior year auditor issued a disclaimed opinion due to their own resource constraints.

We have carried out a full audit of the 2023/24 financial statements. Our findings and conclusions from this are summarised in this report. However, we were unable to obtain assurance regarding the opening balances due to the disclaimer of opinion for the 2022/23 period by our predecessor auditor, in advance of the backstop date of 28 February 2025. In our view, the effects of the resulting lack of assurance are pervasive to the financial statements as a whole. This means that despite all the work we have undertaken, we must also issue a disclaimed opinion on the 2023/24 financial statements.

When an opinion is disclaimed the auditor does not express an opinion on the financial statements and, consequently, no assurance is provided on the financial statements. Members will note that the form and content of this report differs substantially from the report which they will have seen in previous years.

Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; unadjusted misstatements total £115.2k. Section 7 outlines our work on the Authority's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2024.

At the time of preparing this report, there are no significant matters arising.

We will issue a follow up letter to this report at the point that we are ready to issue our audit report, and this will document how the outstanding issues in this report have been addressed.

Executive summary

Subject to the satisfactory completion of our closing procedures, we have the following conclusions:



Audit opinion
We anticipate issuing a disclaimed audit opinion, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B. When an opinion is disclaimed the auditor does not express an opinion on the financial statements and, consequently, no assurance is provided on the financial statements.



Value for Money
We anticipate having no significant weaknesses in arrangements or recommendations to report in relation to the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources. Further detail on our Value for Money work is provided in section 7 of this report.



Whole of Government Accounts (WGA)
The Authority is exempt from making a submission of WGA consolidation data as it has Minor Body Status. As a result of this, we do not need to complete and submit a WGA Assurance Statement to the National Audit Office (NAO).



Wider Powers
The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Authority and to consider any objection made to the accounts. We have received no questions or objections relating to the Authority.

02

Status of the audit

Status of our audit

Our audit work is substantially complete, subject to the satisfactory resolution of the outstanding matters set out below.

Journals testing
We are finalising our work on journal entry testing.

Related Parties
We are finalising our work on related party testing.

Income and expenditure
We are finalising our work on income and expenditure testing.

Property, Plant and Equipment
We are finalising our work on PPE testing.

Value for money arrangements
Our work on value for money arrangements is complete and there are no exceptions arising.

Completion procedures
Completion procedures will continue up to the point where we receive the final signed set of financial statements and the signed letter of representation from management. These procedures include ongoing completion and review of our audit file, checking the final version of the financial statements and considering any events after the balance sheet date up to the point that we issue our audit opinion.

Status

- Likely to result in a material adjustment or a significant change to disclosures in the financial statements.
- Potential to result in a material adjustment or a significant change to disclosures in the financial statements.
- Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.
- Work on value for money arrangements

03

Audit Approach

Audit Approach

Changes to our audit approach

In our Audit Strategy Memorandum, dated 30 October 2024, we reported that:

> *The auditor of your prior year accounts now intends to backstop the 2022/23 audit of the Authority's financial statements and issue a disclaimed opinion. As this will provide us with no audit assurance for the prior year financial statements, and the backstop for 2023/24 has been brought forward by 3 months to 28 February 2025, there is unlikely to be sufficient time to deliver audit procedures for 2023/24 that would give us sufficient appropriate evidence for an unmodified opinion. Consequently, the most likely outcome is that we will also have to issue a disclaimed opinion on the 2023/24 financial statements.*
>
> *However, we will seek to rebuild the assurance needed to issue an unmodified opinion if resources and circumstances allow, including the ability of management to support this process. At this stage, we are unable to say whether this will be possible as we are awaiting key guidance in relation to the processes that are needed, and there are likely to be difficult decisions ahead for our wider allocation of resources to individual audits as we approach the backstop dates. Rebuilding assurance is likely to mean that we will need to test the 2022/23 accounts as well as the 2023/24 financial statements. If we do undertake this additional work, there would be a considerable increase in fee for this work. We will keep management appraised of these matters as we complete our work.*

In the event, we were unable to rebuild assurance relating to the 2022/23 financial year before finalising the 2023/24 audit. The main reason for this was that the guidance on how to rebuild assurance has still not been finalised. Consequently, there are no additional fees in relation to this.

Materiality

Our provisional materiality at the planning stage of the audit was set at £240k using a benchmark of 2% of gross operating expenditure and Performance materiality was £120k. There have been no changes to the materiality levels we communicated in the Audit Strategy Memorandum.

Reliance on internal audit

We have not relied upon the work of internal audit, however, the work of internal audit was used to inform our assessment of the control environment.

Use of experts

Where relevant and necessary, information from the experts has been used as part of the audit as outlined in the Audit Strategy Memorandum and there have been no changes to the planned approach.

Service organisations

International Auditing Standards (UK) (ISAs) define service organisations as third-party organisations that provide services to the Authority that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services.

We identified the following relevant service organisation:

- North Yorkshire Council for the provision of treasury management services.

We obtained assurance by understanding the process and controls that the Authority has in place to assure itself that transactions are processed materially correctly. Our testing included sample testing of transactions based on evidence available from the Authority rather than the service organisation.

04

Significant findings

Significant findings

Significant findings, including key areas of management judgement

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 15 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any significant matters discussed with management;
- any significant difficulties we experienced during the audit; and
- An explanation of why we have had to modify the audit report and issue a disclaimed audit opinion (page 16).

Significant Risks

Management override of controls

Description of the risk

In all entities, management at various levels within an organization are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.

How we addressed this risk

We addressed this risk through performing audit work over:

- accounting estimates impacting amounts included in the financial statements;
- consideration of identified significant transactions outside the normal course of business; and
- journal entries recorded in the general ledger and other adjustments made in preparation of the financial statements

Audit conclusion

Although we are yet to complete our testing of journal entries, we have completed sufficient work on the accounts as a whole to be satisfied that there is no evidence of management override of controls.

Significant findings

Net Defined benefit pension liability or asset

Description of the risk

The financial statements contain material pension entries in respect of retirement benefits. The calculation of these pension figures can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement

How we addressed this risk

We addressed this risk by:

- critically assessing the competency, objectivity and independence of the North Yorkshire Pension Fund's Actuary;
- liaising with the auditors of the North Yorkshire Pension Fund to obtain confirmation that the controls are designed and implemented appropriately. This included the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS19 valuation is complete and accurate;
- reviewing the appropriateness of the Pension Liability or Asset valuation methodologies applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This included comparing them to expected ranges, utilising information provided by PWC, the consulting actuary engaged by the National Audit Office;
- agreeing the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the Authority's financial statements; and
- ensuring all required disclosures are reflected in the accounts and relevant notes.

Audit conclusion

As part of our work, we discussed the impact of IFRIC 14 in calculating a ceiling over the Authority's share of pension fund assets, whereby the Authority / actuary needed to consider whether to cap the amount of net assets in its accounts. Some amendments were agreed to the pension's disclosure notes to reflect more accurately how the pension asset cap had been applied.

We received the IAS 19 assurance letter from the auditor of the North Yorkshire Pension Fund. There is an estimated net understatement of total fund assets of £12.8 million. The Authority's share of this is £115.2k. This demonstrates that the adjustment would not be material and therefore this is reported in section 6 as an unadjusted misstatement.

There are no other significant issues arising from our work that we need to report to you.

Significant findings

Valuation of property, plant and equipment and heritage assets

Description of the risk

The financial statements contain material entries on the balance sheet as well as material disclosure notes in relation to the Authority's holding of Property, Plant and Equipment (PPE) and heritage assets.

The Authority employs a valuation expert to provide information on valuations, however, there remains a high degree of estimation uncertainty associated with the (re)valuations of PPE and heritage assets due to the significant judgements and number of variables involved.

How we addressed this risk

We evaluated the design and implementation of any controls which mitigated the risk. This included liaising with management to update our understanding on the approach taken by the Authority in its valuation of land and buildings and heritage assets. We also:

- Assessed the scope and terms of engagement with the Valuer, and assessed the competence, skills and objectivity of the Valuer;
- Assessed how management use the Valuer's report to value land and buildings included in the financial statements; and tested the accuracy of the data used in valuations;
- Challenged the Authority's and Valuer's assumptions and judgements applied in the valuations; reviewed valuation methodologies used, including the appropriateness of the valuation basis; and
- Considered the reasonableness of the valuation by comparing the valuation output with market intelligence; and ensured all required disclosures are reflected in the accounts and relevant notes.

Audit conclusion

Although we have some procedures to complete in relations to valuations, we are satisfied that there are no material issues identified.

Significant findings

Qualitative aspects of the Authority's accounting practices

We have reviewed the Authority's accounting policies and disclosures and concluded they comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 appropriately tailored to the Authority's circumstances. There were no significant changes in accounting policies this year.

Draft accounts were published by the Authority on 30 May 2024, within the timeframes required by the Accounts and Audit Regulations 2015, and the financial statements and supporting evidence including working papers were of good quality.

Significant matters discussed with management

There were no significant matters arising from the audit which required discussion with management.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties, and we have had the full co-operation of management.

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2023/24 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No questions or objections were raised with us as part of the 2023/24 audit.

Significant findings

Modifications required to our audit report – issue of disclaimed audit opinion for 2023/24 audit

We have identified the following issues which have resulted in us proposing to issue a modified audit opinion. Our draft audit report, in full, is set out in Appendix B.

Issue	Impact on audit opinion
Disclaimed audit opinion by our predecessor auditor **Lack of assurance on the opening balances** Members will be aware that our predecessor auditor issued a disclaimed opinion on the prior year statement of accounts for 2022/23. The Authority published its 2022/23 audited statement of accounts on 3 December 2024, shortly before the backstop date of 13 December 2024. The prior year auditor issued a disclaimed opinion due to their own resource constraints.	We have carried out a full audit of the 2023/24 financial statements. Our findings and conclusions from this are summarised in this report. However, we were unable to obtain assurance regarding the opening balances due to the disclaimer of opinion for the 2022/23 period by our predecessor auditor, in advance of the backstop date of 28 February 2025. In our view, the effects of the resulting lack of assurance are pervasive to the financial statements as a whole. This means that despite all the work we have undertaken, we must also issue a disclaimed opinion on the 2023/24 financial statements. When an opinion is disclaimed the auditor does not express an opinion on the financial statements and, consequently, no assurance is provided on the financial statements. Members will note that the form and content of this report differs substantially from the report which they will have seen in previous years.

05

Internal control conclusions

Internal control conclusions

Overview of engagement

As part of our audit, we obtained an understanding of Authority's internal control environment and control activities relevant to the preparation of the financial statements, which was sufficient to plan our audit and determine the nature, timing, and extent of our audit procedures. Although our audit was not designed to express an opinion on the effectiveness of Authority's internal controls, we are required to communicate to Those Charged With Governance any significant deficiencies in internal controls that we identified in during our audit.

Deficiencies in internal control

A deficiency in internal control exists if:

- a control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- a necessary control to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered Authority's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in this section of our report are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported.

If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported.

Our comments in this section should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

The deficiencies in the Authority's internal controls that we have identified as at the date of this report are in set out on the following pages.

Significant deficiencies in internal control

A significant deficiency in internal control is one which, in our professional judgement, has the potential for financial loss, damage to reputation, or a loss of information which may have implications on the achievement of business strategic objectives. Our view is that observations categorised as a significant deficiency is of sufficient importance to merit the attention of Those Charged With Governance.

We have not identified any significant deficiencies in the Authority's internal controls as at the date of this report.

Other observations

We also record our observations on the Authority's internal controls where, in our professional judgement, there is a need to strengthen internal control or enhance business efficiency that do not constitute significant deficiencies in internal control but which we view as being important for consideration by management.

We have one other internal control observation to bring to your attention as at the date of this report.

Internal control conclusions

Other internal control observation

Description of deficiency

Our walk through of the accounts receivable system revealed that the details of the invoice are entered by the inputter and the same person makes the invoice live on the system by pressing the complete button without any independent review, leading to lack of segregation of duties.

Potential effects

May lead to risk of misstatement, duplication of transactions and loss and increased risk of errors.

Recommendation

There should be appropriate segregation of duties while processing invoices.

Management response

The Authority has a small finance team of three, as such there are capacity restraints which mean separation of duties are not always possible. Where invoices are created by staff outside the finance team there is a separation of duty, those invoices are checked and cleared by a member of the finance team. Where invoices are created directly by a member of the finance team, these can be passed without secondary approval. However, Budget Managers have full reporting access, and regularly check their income against budget, they will identify any issues with the sales invoices in their own area. To mitigate risk and reduce the opportunity to manipulate the system, the members of the finance team do not directly manage a budget.

06

Summary of misstatements

Summary of misstatements

We set out below and on the following page a summary of the misstatements we identified during our audit, above the trivial threshold for adjustment of £6,700.

The first table in this section sets out the misstatements we identified which management has assessed as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. Misstatements identified that were adjusted by management adjusted by management are shown in the table on page 22.. There were some disclosure adjustments that are summarised on page 23.

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Audit Summary Memorandum, issued on 30 October 2024. There were no changes to those figures that are set out in the section 3 this report.

Unadjusted misstatements

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. We only report to you unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

In the case of pensions, the main purpose of the reported item was to demonstrate that the pension fund auditor's reported findings would not have a material impact on the Authority's disclosures and consequently, the decision not to adjust for these is not unreasonable.

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr Net Pension Assets			115.2	
Cr Remeasurement of Net defined Pension Liability		115.2		
Our review of the Pension Fund auditor report identified that the value of pension fund assets was understated compared to those originally reported, which was entirely due to timing issues compared to when the actuary prepares their report, and the final valuations received during Forvis Mazars's audit of the North Yorkshire Pension Fund. Total fund understated assets were £12.8m. The Authority's share of the total assets has been estimated at 0.9%. The Pension fund assets misstatement is (£12.8 million *0.9%); that is, £115.2k.				
Aggregate effect of unadjusted misstatements	**0**	**115.2**	**115.2**	**0**

Summary of misstatements

Adjusted misstatements

The misstatements in the table below have been adjusted by management. We report all individual misstatements above our reporting threshold that we identify during our audit and which management had adjusted and any other misstatements we believe Those Charged With Governance should be made aware of.

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Correction of debtor that was double counted in the draft accounts Dr: Income Cr: Debtors Being a debtor that was recorded twice This adjustment impacts of the final outturn position, reducing income by £92k and also reducing useable balances by £92k	£92k			£92k
Reclassification of Pension Assets as a Long-Term Debtor (Prior Period Adjustment relating to 2022/23) Dr: Pension Asset Cr: Pension Liability Being an adjustment to correctly reflect the Pension Asset in 2022/23 within Long-Term Assets and not as a debit balance on the Pension Liability			£4,372k	£4,372k
Aggregate effect of adjusted misstatements	**£92k**	**£0**	**£4,372k**	**£4,464k**

Summary of misstatements

Disclosure misstatements

We identified the following disclosure misstatements during our audit that have been corrected by management:

- Corrections of typographical errors and minor amendments and clarifications;
- Updating the text to reflect the timing of the finalisation of the audit;
- The addition of a section to record Member approval of the accounts when this is given;
- Moving the Expenditure and Funding Analysis disclosures from primary statements to notes to accounts;
- Moving the separately disclosed accounting policies statement so that it appears as part of the notes to accounts;
- Adding a post balance sheet events note (note 27) to reflect the potential impact of a legal case, known as the Virgin Media pensions case. This is a national issue impacting on all authorities ; and
- Note 28, Defined Benefit Pension Scheme has been updated from the draft accounts to separately show the Authority's share of pension assets and the application of the Pension Asset Ceiling Adjustment to those pension assets. A prior period adjustment has been reflected in the notes for the restatement of the prior year Pension Asset as a Long-Term Asset rather than as a debit balance within the Pension Liability.

07

Value for Money

Value for Money

Approach to Value for Money

We are required to consider whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** - How the Authority plans and manages its resources to ensure it can continue to deliver its services;
- **Governance** - How the Authority ensures that it makes informed decisions and properly manages its risks; and
- **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.

At the planning stage of the audit, we undertake work to understand the arrangements that the Authority has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

For the Authority, we did not identify any risks of significant weaknesses in arrangements either at the planning stage or throughout the audit.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the Authority's arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. We intend to issue the Auditor's Annual Report at the same date that we issue our audit opinion on the financial statements.

Status of our work

We have completed our work in respect of the Authority's for the year ended 31 March 2024 and we have not identified any significant weaknesses in arrangements that have required us to make a recommendation. Our draft audit report at Appendix B confirms that we have no matters to report in respect of significant weaknesses. As noted above, our commentary on the Authority's arrangements will be provided in the Auditor's Annual Report.

Appendices

A: Draft management representation letter

B: Draft audit report

C: Confirmation of our independence

D: Other communications

Appendix A: Draft management representation letter

Address to:

Gavin Barker

Audit Director

Forvis Mazars LLP

Dear Mr Barker

Yorkshire Dales National Park Authority - Audit for Year Ended 31 March 2024

This representation letter is provided in connection with your audit of the financial statements of Yorkshire Dales National Park Authority (the Authority) for the year ended 31 March 2024. I note that you intend to issue a disclaimer of opinion in respect of your audit. I understand I am still required to provide the representations set out in this letter so you can complete your audit in accordance with relevant auditing standards.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code, as amended by the Code and applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Authority you determined it was necessary to contact in order to obtain audit evidence.

I confirm as S151 Treasurer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Authority and committee meetings, have been made available to you.

Appendix A: Draft management representation letter

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Authority's financial position, financial performance and cash flows.

Accounting estimates, including those measured at current and fair value

I confirm that the methods, significant assumptions and the data used by the Authority in making the accounting estimates, including those measured at current and fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

I confirm:

- that the significant judgments made in making the accounting estimates have taken into account all relevant information of which management is aware;
- the consistency and appropriateness in the selection or application of the methods, assumptions and data used by management in making the accounting estimates;
- that the assumptions appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity, when relevant to the accounting estimates and disclosures;
- that disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and are reasonable in the context of the applicable financial reporting framework;
- that appropriate specialised skills or expertise has been applied in making the accounting estimates; and
- that no subsequent event requires adjustment to the accounting estimates and related disclosures included in the financial statements.
- when accounting estimates are not recognised or disclosed in the financial statements, about the appropriateness of management's decision that the recognition or disclosure criteria of the applicable financial reporting framework have not been met.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Authority have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code, as amended by the Code Update and applicable law.

Appendix A: Draft management representation letter

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Authority has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as S151 Treasurer for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Authority involving:
  - management and those charged with governance;
  - employees who have significant roles in internal control; and
  - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code, as amended by the Code and applicable law.

I have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which I am aware.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Appendix A: Draft management representation letter

Charges on assets

All the Authority's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments

The Authority has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Service Concession Arrangements

I am not aware of any material contract variations, payment deductions or additional service charges in 2023/24 in relation to the Authority's service concession arrangements that you have not been made aware of.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by the Code and applicable law, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Impacts of Russian Forces entering Ukraine

I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Authority, including the impact of mitigation measures and uncertainties, and that the financial statements fairly reflects that assessment.

Covid-19

I confirm that I have carried out an assessment of the potential impact of the Covid-19 Virus pandemic on the business, including the impact of mitigation measures and uncertainties, and that the financial statements fairly reflects that assessment.

Brexit

I confirm that I have carried out an assessment of the impact of the United Kingdom leaving the European Union, including the impact of the Trade and Cooperation Agreement, and that the financial statements fairly reflects that assessment.

Appendix A: Draft management representation letter

Going concern

To the best of my knowledge there is nothing to indicate that the Authority will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Annual Governance Statement

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority's risk assurance and governance framework, and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

The disclosures within the Narrative Report fairly reflect my understanding of the Authority's financial and operating performance over the period covered by the financial statements.

Unadjusted misstatements

We confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an Appendix.

Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (Value for Money arrangements)

I confirm that I have disclosed to you all information that would be considered relevant to your work on value for money arrangements.

Yours faithfully

Michelle Clyde

S151 Treasurer

25 February 2025

Appendix A: Draft management representation letter

Appendix

Schedule of unadjusted misstatements

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr Net Pension Assets			115.2	
Cr Remeasurement of Net defined Pension Liability		115.2		
Aggregate effect of unadjusted misstatements	**0**	**115.2**	**115.2**	**0**

Appendix B: Draft audit report

Independent auditor's report to the members of Yorkshire Dales National Park Authority

Report on the audit of the financial statements

Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of the Yorkshire Dales National Park Authority ('the Authority') for the year ended 31 March 2024, which comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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 2023/24.

We do not express an opinion on the financial statements. 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 opinion

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations require the Authority to publish its Accountability Statements, which include the financial statements and auditor's opinion for the year ended 31 March 2024, by 28 February 2025 ('the backstop date').

The backstop date introduced by the Amendment Regulations has impeded our ability to obtain sufficient appropriate evidence upon which to form an opinion on the financial statements as there has been insufficient time to perform all necessary audit procedures.

Responsibilities of the S151 Treasurer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the S151 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 2023/24, and for being satisfied that they give a true and fair view. The S151 Treasurer is also responsible for such internal control as the S151 Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The S151 Treasurer is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and prepare the financial statements on a going concern basis on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future. The S151 Treasurer is responsible for assessing each year whether or not it is appropriate for the Authority to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Appendix B: Draft audit report

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. In reaching this judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

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 we have fulfilled our other ethical responsibilities in accordance with these requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities . This description forms part of our auditor's report.

Appendix B: Draft audit report

Report on the Authority's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view 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 2024.

We have nothing to report in this respect.

Responsibilities of the Authority

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 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.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

We are also required by the Code of Audit Practice, to give an opinion on whether other information published together with the audited financial statements, is consistent with the financial statements. Because of the matter described in the Basis for Disclaimer of Opinion section we do not express an opinion on the financial statements. We also do not express an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

Appendix B: Draft audit report

Use of the audit report

This report is made solely to the members of Yorkshire Dales National Park Authority, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in an auditor's 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 members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

Certificate

We certify that we have completed the audit of Yorkshire Dales National Park Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Gavin Barker

Key Audit Partner

For and on behalf of Forvis Mazars LLP

The Corner

Bank Chambers

26 Mosley Street

Newcastle Upon Tyne

NE1 1DF

Date: To be finalised

Appendix C: Confirmation of our independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.

Appendix D: Other communications

Other communication	Response
Compliance with Laws and Regulations	We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations. We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.
External confirmations	We did not experience any issues with respect to obtaining external confirmations.
Related parties	We did not identify any significant matters relating to the audit of related parties. We will obtain written representations from management confirming that: a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
Going Concern	We have not identified any evidence to cause us to disagree with the Chief Finance Officer that the Authority will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements. We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.

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Appendix D: Other communications

Other communication	Response
Subsequent events	We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework. We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.
Matters related to fraud	We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, and where appropriate Those Charged With Governance, confirming that: a) they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b) they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud; c) they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: i. management; ii. employees who have significant roles in internal control; or iii. others where the fraud could have a material effect on the financial statements; and d) they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Contact

Forvis Mazars

Gavin Barker
Director
Tel: +44 (0)191 383 6321
gavin.barker@mazars.co.uk

Gaurav Gandhi
Audit Manager
Tel: +44 (0)7581 015 459
gaurav.gandhi@mazars.co.uk

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