Auditor's Annual Report

Yorkshire Dales National Park Authority – year ended 31 March 2025

27 February 2026

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Contents

01 Introduction
02 Audit of the financial statements
03 Commentary on VFM arrangements
04 Other reporting responsibilities
05 Audit fees and other services

A Appendix A: Further information on our audit of the Authority's financial statements

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Forvis Mazars LLP – The Corner, Bank Chambers, 26 Mosley Street, Newcastle Upon Tyne, NE1 1DF, Tel: Tel: +44 (0) 191 383 6300 – Fax: +44 (0) 191 383 6350 – www.forvismazars.com/uk

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01

Introduction

Introduction

Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for Yorkshire Dales National Park Authority ('the Authority') for the year ended 31 March 2025. Although this report is addressed to the Authority, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.

Opinion on the financial statements
We issued our audit report on 27 February 2026. Our opinion on the financial statements was unqualified.

Value for Money arrangements
We did not identify any significant weaknesses in the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources. Section 3 provides our commentary on the Authority's arrangements.

02

Audit of the financial statements

Our audit of the financial statements

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (UK) (ISAs). The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Authority and whether they give a true and fair view of the Authority's financial position as at 31 March 2025 and of its financial performance for the year then ended. Our audit report, issued on 27 February 2026 gave an unqualified opinion on the financial statements for the year ended 31 March 2025.

A summary of the significant risks we identified when undertaking our audit of the financial statements and the conclusions we reached on each of these is outlined in Appendix A. In this appendix we also outline the uncorrected misstatements we identified and any internal control recommendations we made.

Re-building assurance

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

We therefore concluded that we had not obtained sufficient appropriate audit evidence to enable us to express an opinion on whether the financial statements present a true and fair view and had been prepared, in all material respects, in line with the Code of Practice on Local Authority Accounting. Consequently, as required by the ISAs, we modified our audit report and issued a disclaimer of opinion. This means, in our audit report issued on 26 February 2025, we did not express an opinion on the Authority's 2023/24 financial statements.

In our Audit Strategy Memorandum 2024/25, dated 4 July 2025, we explained that we were hoping that guidance would be available to enable us to rebuild assurance for the disclaimed audit years (2022/23 and 2023/24) using a Proof in Total approach.

In our Audit Progress Report dated 9 November 2025, and presented to the Audit and Review Committee on 25 November 2025, we updated the Audit Strategy Memorandum by incorporating a significant audit risk on rebuilding assurance which had been missing from our original plan. At this point we were still awaiting guidance on the application of our audit approach, but on 5 December 2025, we reported via an e-mail update that the 'rebuilding assurance' guidance could not be issued, and that our firm alongside others in the sector, could not come up with a 'proof in total' approach that was consistent with the requirements of International Standards of Auditing (ISAs).

We agreed with management that we would seek to carry out a full audit of the 2022/23 financial year alongside the 2024/25 audit. This together with the work undertaken on the 2023/24 audit last year, would enable us to rebuild assurance over the opening balances and move towards issuing an unqualified opinion on the 2024/25 audit. This was only possible because there was only one disclaimed year to address (2022/23) and the Authority's audit is relatively small compared to our other audits.

We were able to complete the work required to be able to issue an unqualified opinion on the 2024/25 audit.

Other reporting responsibilities

Reporting responsibility	Outcome
Narrative Report	We did not identify any significant inconsistencies between the content of the annual report and our knowledge of the Authority.
Annual Governance Statement	We did not identify any matters where, in our opinion, the governance statement did not comply with the guidance issued by CIPFA/LASAAC Code of Practice on Local Authority Accounting.

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03

Our work on Value for Money arrangements

VFM arrangements

Overall Summary

VFM arrangements – Overall summary

Approach to Value for Money arrangements work

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.

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.

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Authority has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding or arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources, including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with officers

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 there are further risks of significant weaknesses.

Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

We outline the risks that we have identified and the work we have done to address those risks on page 10.

Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Authority. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements -** we make these recommendations for improvement where we have identified a significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.
- **Other recommendations -** we make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant, but which still require action to be taken.

The table on the following page summarises the outcome of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements, or made other recommendations.

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VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
Financial sustainability	11	No	No	No
Governance	14	No	No	No
Improving economy, efficiency and effectiveness	17	No	No	No

VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services

VFM arrangements – Financial Sustainability

Risks of significant weaknesses in arrangements in relation to Financial Sustainability

We did not identify any risks of significant weaknesses in arrangements as part of our continuous planning procedures.

Overall commentary on Financial Sustainability

How the National Park Authority 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 faces a challenging financial position, mainly caused by uncertainties over funding from the Department for the Environment, Food and Rural Affairs (DEFRA), which have been for flat cash for a number of years in a period of high inflation and significant cost pressures. The uncertainty has been exacerbated by annual funding settlements, which make medium-term financial planning more difficult, and for 2025/26 DEFRA was one of the Government Departments needing to make cuts overall and the implications for the Authority were currently unclear.

Once again, the Authority was forced to set its 2025/26 Budget before DEFRA funding was known. In the event, DEFRA revenue funding reduced to £4.8m, but significant additional capital funding of £1.6m was made available.

The financial position has been carefully managed and there has been diversification of income sources to reduce the reliance on DEFRA core grant. Core DEFRA grant was £5.7m in 2024/25, compared to total income of £13.9m.

In 2010 core DEFRA grant was 75% of income, but it is now just over 40%. The approach of the Authority is increasingly project based so that it can switch its resources to and from projects as and when needed.

The Authority sets an Annual Budget and 3 Year Medium Term Financial Strategy. Both the 2024/25 Budget and 2025/26 Budget that were approved by the Authority were balanced. The reports supporting the budget were comprehensive and set out all the challenges facing the Authority and included a range of reasonable assumptions, including the budget pressures faced by the Authority and the options available to it. Reserve levels enable the financial position to be managed over the medium term.

Financial modelling considers various scenarios, but the Authority does have sufficient flexibility to manage its financial position if DEFRA funding is cut further. Although it should be noted that in the relatively worse case scenarios, the Authority will be able to manage but only by doing less of the things that it currently wants to do in terms of delivering its role, vision and services.

The outturn for 2024/25 was a net positive variance against budget of £888k against gross expenditure of £14m.

Usable reserves at 31 March 2025 are a total of £4.7m (up from £4.4m in the previous year), with a general fund balance of £618k and earmarked reserves of £4.089m.

The latest 2025/26 financial monitoring for the first four months of 2025/26 indicated a £806k net underspend compared to profile at that point.

2026/27 budgeting is currently underway.

The financial position is very challenging, which will require difficult choices to be made by the Authority to deliver savings and efficiencies and improve the medium-term position.

Financial monitoring takes place at a detailed level and is reported quarterly via the Finance, and Resources Committee.

The Authority has no borrowing.

Overall commentary on the Financial Sustainability reporting criteria – continued

How the National Park Authority plans to bridge its funding gaps and identifies achievable savings

The financial position has been carefully managed and there has been diversification of income sources to reduce the reliance on DEFRA core grant. Core DEFRA grant was £5.7m in 2024/25, compared to total income of £13.9m.

The approach of the Authority is increasingly project based so that it can switch its resources to and from projects as and when needed, and project funding can help support the core costs of the Authority.

Financial modelling considers various scenarios, but the Authority does have sufficient flexibility to manage its financial position if DEFRA funding is cut further. Although it should be noted that in the relatively worse case scenarios, the Authority will be able to manage but only by doing less of the things that it currently wants to do in terms of delivering its role, vision and services.

How the National Park Authority plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The key corporate plans for the National Park Authority are its Management Plan, the current version has just been updated to 2025 to 2030 and its Corporate Plan which underpins this. Every national park must have a Management Plan, which sets out how the Authority and its partners will work together to achieve shared objectives for the future management of the national park.

The Corporate Plan sets out how the future vision in the Management Plan will be achieved, including the key priorities and milestones that need to be achieved.

The Annual Budget and 3 Year Medium Term Financial Strategy effectively shows how resources are allocated to the achievement of these priorities.

How the National Park Authority 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 monitors performance against the Corporate Plan and the achievement of its objectives is reported to the Authority on a six-monthly and annual basis. The Annual Budget and 3 Year Medium Term Financial Strategy effectively shows how resources are allocated to the achievement of these priorities.

We did not identify any significant inconsistencies in the Authority's plans.

How the National Park Authority identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

The risk management process monitors and manages the risks to the achievement of the objectives set out in the Management Plan, Corporate Plan and the Annual Budget and 3 Year Medium Term Financial Strategy.

Taken together, these arrangements provide a cohesive framework for the Authority to set, monitor and deliver its objectives within the resource constraints it faces.

Conclusion

We have not identified a significant weakness in the Authority's arrangements in relation to the financial sustainability reporting criteria.

VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks

VFM arrangements – Governance

Risks of significant weaknesses in arrangements in relation to Governance

We did not identify any risks of significant weaknesses in arrangements as part of our continuous planning procedures.

Overall commentary on Governance

How the National Park Authority monitors and assesses risk and how the National Park Authority gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

Financial risk is assessed in the Budget and 3 Year Medium-Term Financial Strategy. The Authority has risk management arrangements in place with operational and strategic risk registers and an annual review by the Audit and Review Committee.

The risk management process identifies risks, any mitigating actions in place to address risks and a risk ranking based on this assessment. The risk management process covers many risks with severe risks currently including funding and budgeting risks, and loss of integrity of IT systems and records. Material risks include partnerships, contracting failures if a contractor fails to deliver a contract and inadequate staffing resources including volunteers, and health, safety and well being.

An internal audit function is in place. An Internal Audit Plan is discussed with the Audit and Review Committee and agreed each year, with progress reporting and an Annual Internal Audit Report. Veritau provide internal audit services, and their opinion in respect of 2024/25 was:

> *"The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating in the Authority is that it provides Substantial Assurance. No reliance was placed on the work of other assurance providers in reaching this, and there are no significant control weaknesses which, in the opinion of the Head of Internal Audit, need to be considered for inclusion in the Annual Governance Statement."*

There are appropriate systems of internal control in place and an anti-fraud culture has been fostered.

There have been no instances of suspected or reported fraud during 2024/25 and up to the current date.

The Authority produces an Annual Governance Statement and this is reviewed and approved by the Audit and Review Committee. The statement provides an overview of the control systems in place to give a high level of assurance over the effective operation of internal controls.

How the National Park Authority approaches and carries out its annual budget setting process

Salary budgets are set centrally by HR/Payroll and are based on individual posts so are accurate, and new staff added in year also receive appropriate budget through the virement process where money is taken from reserves and added to budget.

Each Director along with their budget managers 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 (such as a new cleaning contract for example).

Capital expenditure is profiled, and any specific reserves are used to balance off the capital spend (there is a 5-year pot of money set aside from reserves to manage the spikes in capital expenditure).

This information feeds into a central budget sheet which is discussed at a Senior Managers Meeting with Directors. Any new posts are discussed along with any proposed new expenditure before being included in the draft budget. Income streams are only included at this point if confirmed or fairly certain to go ahead, other additional income will be added mid-year when confirmed.

Senior Management Team (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 the Authority's Finance & Resources Committee for detailed assessment, followed by consideration and approval by the Full Authority.

Overall commentary on the Governance reporting criteria - continued

How the National Park Authority 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

Financial systems are in place, and there are appropriate Financial Regulations, that form the requirements of the Authority's system of internal control.

The Head of Finance produces monthly financial management reports for SMT. These are copied to all Section Heads and Budget Managers, who are asked to feedback any issues they are having with their budgets. Quarterly reports are produced for the Finance & Resources Committee and are all made publicly available. Members also get updated objectives reporting so they can also see how the Authority is performing against the annual targets, not just the financial ones.

Budget Managers have access to reporting for the finance system where they can run reports for any period for any cost centre, this enables them to manage their own budgets proactively.

How the National Park Authority 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

The Authority has a comprehensive set of Governance arrangements in place. The full Authority is the key decision maker. There are sub-committees including the Standards Committee, Planning Committee, Finance and Resources Committee and Audit and Review Committee.

The Authority has the full set of features of a Governance framework which we would expect to see including Codes of Conduct for officers and Members, Constitutional documents including appropriate standing orders for the conduct of the Authority's business, schemes of delegation and financial regulations.

Review of agenda papers and attendance at meetings have demonstrated to us that the reports presented are comprehensive so that informed decisions can be made, and that there is effective challenge provided by Members and appropriate accountability from management.

How the National Park Authority 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)

Where reports are taken to the full Authority or other Committee meetings, reports consider the standards required of the Authority, including ensuring that the Authority meets its legislative / regulatory obligations.

The role of the three statutory positions of Head of Paid Service, Section 151 Chief Financial Officer and Monitoring Officer helps ensure that all matters that should be considered are properly considered by the Authority and evidenced when decisions are taken.

The Authority has a Code of Conduct that all staff are expected to adhere to. There were no significant issues relating to officer conduct in 2024/25 and up to the current date.

There is a Code of Conduct for Authority Members. There were no significant issues relating to Member conduct in 2024/25 up to the current date.

Conclusion

We have not identified a significant weakness in the Authority's arrangements in relation to the governance reporting criteria.

VFM arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Risks of significant weaknesses in arrangements in relation to Improving Economy, Efficiency and Effectiveness

We did not identify any risks of significant weaknesses in arrangements as part of our continuous planning procedures.

Overall commentary on Improving Economy, Efficiency and Effectiveness

How financial and performance information has been used to assess performance to identify areas for improvement

The key corporate plans for the National Park Authority are its Management Plan, the current version has just been updated to 2025 to 2030 and its Corporate Plan which underpins this. Every national park must have a Management Plan, which sets out how the Authority and its partners will work together to achieve shared objectives for the future management of the national park.

The Corporate plan sets out how the future vision in the Management Plan will be achieved, including the key priorities and milestones that need to be achieved.

The Authority monitors performance against the Corporate Plan on an ongoing basis and the achievement of its objectives are reported on a regular basis.

The Annual Budget and 3 Year Medium-Term Financial Strategy effectively shows how resources are allocated to the achievement of these priorities.

The risk management process monitors and manages the risks to the achievement of these objectives.

Taken together, these arrangements provide a cohesive framework for the Authority to set, monitor and deliver its objectives within the constraints it faces. It also enables it to identify areas for improvement and reflect these in its plans and monitor the delivery of the improvements.

The Authority undertake an annual programme of project and performance reviews, which are decided each year by the Audit and Review Committee. Where a third party view would be beneficial, the Authority contracts that review work outside the organisation.

More generally, the Authority assesses performance through a combination of:

- a mid-year and end of year review of performance in achieving our objectives;
- Annual comparison with other national park authorities through a set of common performance indicators.
- 5 yearly surveys of residents' satisfaction with all aspects of the Authority's work; and
- External assessment of Authority services (Customer Service Excellence; Investors in People; internal and external audit, etc).

How the National Park Authority 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 has wide ranging partnerships including with DEFRA, local government and a range of other national and local bodies.

Working with partners and as a partner is one of the central pillars of the Authority's strategy. It is laid out in the Management Plan and Corporate Plan. The Management Plan is a document for the place which has been pulled together alongside a wide range of stakeholders and partners.

Production of the Management Plan, which is a statutory requirement, involves widespread public consultation and direct engagement with a wider range of partner organisations and stakeholders. The new Plan contains 40 specific objectives. A progress report is published annually by the Partnership, and more detailed information on every objective (including a simple 'traffic light' summary) is published on the Authority's website.

As set out on the Authority's website "The National Park covers a large area (841 square miles). We, the National Park Authority, owns less than 0.06% of it. We therefore could not look after this amazing place without working closely with a range of other partner organisations as well as the people who own and manage the land and buildings. These include local landowners, farmers, communities and businesses."

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria - continued

Where the National Park Authority commissions or procures services, how the National Park Authority ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how the National Park Authority assesses whether it is realising the expected benefits

The Authority has an appropriate system in place for procurement of services, with Financial Regulations incorporating the requirements for contracting and tendering.

Procurement procedures are supported by the Procurement Strategy, a Procurement Manual and template documents including contract conditions. The Director of Corporate Services actively supports procurement activity, and provides in house procurement training for officers with responsibility for buying.

Conclusion

We have not identified a significant weakness in the Authority's arrangements in relation to improving economy, efficiency and effectiveness reporting criteria.

04

Other reporting responsibilities

Other reporting responsibilities

Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power 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 the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers.

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. We did not receive any such objections or questions.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

The NAO, as group auditor, normally requires external auditors to complete a WGA Assurance Statement in respect of the Authority's consolidation data.

However, 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 a WGA Assurance Statement.

05

Audit fees and other services

Audit fees and other services

Fees for our work as the Authority's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum, dated 4 July 2025, and presented to the Audit & Review Committee on 16 July 2025. The scope of our work changed when it was agreed that we would also complete a full audit of the 2022/23 accounts using the historic testing approach to be able to rebuild assurance for opening balances in the disclaimed audit years. Having completed our work for the 2024/25 financial year, we can confirm that our fees are as follows. All fees are subject to approval by Public Sector Audit Appointments (PSAA) Limited.

Area of work	2024/25 fees	2023/24 fees
Code Audit Work (PSAA Scale Fee)	£48,845	£42,529
Additional fees in respect of ISA 315 (risks of material misstatement) and ISA 240 (auditor's responsibilities relating to fraud)	£0	£4,710
Additional fees in respect of 2024/25 audit for new accounting standard IFRS 16, Leases (not included in PSAA scale fee)	£2,000	-
Additional fees in respect of 2024/25 audit for the work undertaken to rebuild assurance by completing the historic testing approach on the 2022/23 accounts	£28,955	-
Total fees	**£79,800**	**£ 47,239**

Fees for other work

We confirm that we have not undertaken any non-audit services for the Authority in the year.

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Appendices

Appendix A: Further information on our audit of the Authority’s financial statements

Appendix A: Further information on our audit of the Authority's financial statements

Significant risks and audit findings

As part of our audit of the Authority, we identified significant risks to our opinion on the financial statements during our risk assessment. The table below summarises these risks, how we responded and our findings.

Risk	Our audit response and findings
Rebuilding assurance Government introduced measures intended to resolve the local government financial reporting backlog. Amendments to the Accounts and Audit Regulations required the Authority to publish its audited 2023/24 financial statements and accompanying information on or before 28 February 2025. The financial statements subsequently received a disclaimed audit opinion in 2022/23 (by the predecessor auditor) and in 2023/24 in the year of our appointment as the Authority's new auditor. As a result of the backstop arrangements, we determined that there was insufficient time to complete our audit procedures so as to obtain sufficient appropriate evidence, and, in our view, the effects of the resulting lack of evidence was material and pervasive to the financial statements as a whole. On 5 June 2025, the National Audit Office issued LARRIG 06, 'Special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions.' * This introduced local audit reset and recovery implementation guidance for local auditors to consider. There is a risk that opening balances are materially misstated, the risk of which would need to be thoroughly assessed based on detailed risk assessment procedures. The overall risk of fraudulent financial reporting in previous reporting periods subject to disclaimers of opinion will also need to be assessed. The guidance introduces the concept of a Proof in Total approach, requiring fewer audit procedures to rebuild assurance where justified by the results of the risk assessment.	The anticipated 'rebuilding assurance' guidance could not be issued, and our firm alongside others in the sector, could not come up with a 'proof in total' approach that was consistent with the requirements of International Standards of Auditing (ISAs). We subsequently agreed with the Authority that we would seek to carry out a full audit of the 2022/23 financial year alongside the 2024/25 audit, and together with the work undertaken on the 2023/24 audit last year. This was only possible because there is only one remaining disclaimed year to address (2022/23) and the Authority's audit is relatively small compared to our other audits. We were able to complete the work required to be able to issue an unqualified opinion on the 2024/25 audit.

Appendix A: Further information on our audit of the Authority's financial statements

Significant risks and audit findings (continued)

As part of our audit of the Authority, we identified significant risks to our opinion on the financial statements during our risk assessment. The table below summarises these risks, how we responded and our findings.

Risk	Our audit response and findings
Management override of controls This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur. Management at various levels within an organisation 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 there is a risk of material misstatement due to fraud on all audits. You should assess this risk as part of your oversight of the financial reporting process.	We did not identify any significant issues to report.
Net defined benefit liability valuation 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. There is a risk that the assumptions and methodology used in valuing the Authority's pension obligation are not reasonable or appropriate to the Authority's circumstances. This could have a material impact to the net pension liability in 2024/25.	We did not identify any significant issues to report.
Valuation of property, plant and equipment 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). 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 due to the significant judgements and number of variables involved.	We did not identify any significant issues to report.

Appendix A: Further information on our audit of the Authority's financial statements

Summary of uncorrected misstatements for the Authority

Description			Comprehensive Income and Expenditure Statement		Balance Sheet	
			Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr. Pension Liabilities Cr. Pension Reserve The Pension Fund auditor identified an unadjusted difference in asset values during their audit of the Pension Fund. The above is an estimation of the impact on the Authority's asset valuations based on the Authority's share of Pension Fund assets. This is an understatement of asset values and is not material.					123	123
Aggregate effect of unadjusted misstatements			**0**	**0**	**123**	**123**

Appendix A: Further information on our audit of the Authority's financial statements

Internal control observations for the Authority

None identified.

Contact

Forvis Mazars

Gavin Barker
Director
Tel: +44 (0)7896 684 771
gavin.barker@mazars.co.uk

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

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