



Section one

Summary for Audit, Resources and Performance Committee



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Summary for Audit, Resources and Performance Committee

This Annual Audit Letter summarises the outcome from our audit work at Peak District National Park Authority ("the Authority") in relation to the 2017/18 audit year.

Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.

This is KPMG's last Annual Audit Letter to the Authority. We would like to take this opportunity to thank the Authority's officers and the members of the Governance and Resources Committee for their support throughout the six years of our audit appointment.

Audit opinion

We issued an unqualified opinion on the Authority's financial statements on 31July 2018. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.

Financial statements audit

Our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole. We set materiality at £250,000 which is around 2 percent of gross expenditure. We design our procedures to detect errors in specific accounts at a lower level.

We report to the Audit, Resources and Performance Committee any misstatements of lesser amounts, other than those that are "clearly trivial", to the extent that these are identified by our audit work. In the context of the Authority, an individual difference is considered to be clearly trivial if it is less than £12,000. We have identified no audit adjustments.

The working papers provided this year have been of a good standard and were available at the start of the audit visit. The finance team responded promptly to any requests for additional information or explanation and were available throughout the audit visit to answer. We thank the finance team for their co-operation throughout the visit which allowed the audit to progress within the allocated timeframe.

Our audit work was designed to specifically address the following significant risks:

- Management Override of Controls Management is typically in a powerful position to carry out fraud, as it can manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Our audit methodology includes the risk of management override as a default significant risk. In line with our methodology, we carried out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.
- Valuation of PPE The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate fair value at that date The Authority reviews the value of assets each year end through a desktop impairment review and every fifth year performs a full revaluation. There is a risk that the fair value is different at the year end.
- Pensions Liabilities The net pension liability represents a material element of the Authority's balance sheet. The Authority is an admitted body of Derbyshire County Council Pension Fund, which had its last triennial valuation completed as at 31 March 2016. This forms an integral basis of the valuation as at 31 March 2018. The valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the



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Authority's overall valuation. There is a risk that the assumptions and methodology used in the valuation of the Authority's pension obligation are not reasonable. This could have a material impact to net pension liability accounted for in the financial statements.

We did not identify any evidence of material misstatement as a result of our audit work on these significant risk areas.

Other information accompanying the financial statements

Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding and did not identify any significant issues.

Whole of Government Accounts

The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review your pack in detail as the Authority falls below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office.

Value for Money conclusion

We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2017/18 on 31 July 2018. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.

Value for Money risk areas

We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.

Our work identified no significant matters.

High priority recommendations

We raised no high priority recommendations as a result of our 2017/18 work.



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Certificate

We issued our certificate on 31 July 2018. The certificate confirms that we have concluded the audit for 2017/18 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.

Audit fee

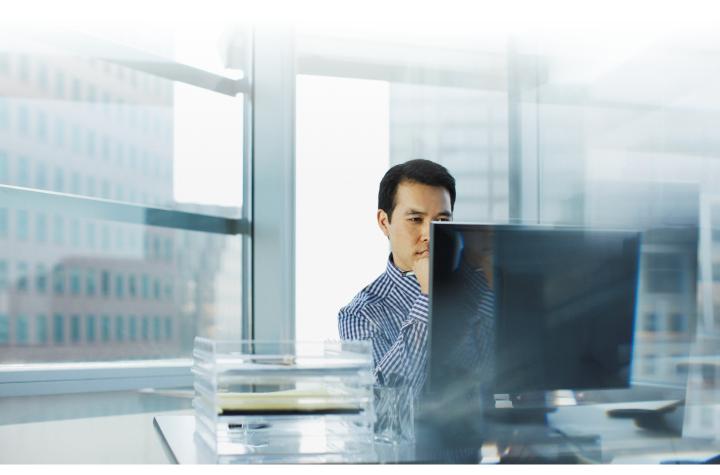
Our fee for 2017/18 was £13,259 excluding VAT. Further detail is contained in Appendix 2.

Exercising of audit powers

We have a duty to consider whether to issue a report in the public interest about something we believe the Authority should consider, or if the public should know about.

We have not identified any matters that would require us to issue a public interest report.

In addition, we have not had to exercise any other audit powers under the Local Audit & Accountability Act 2014.



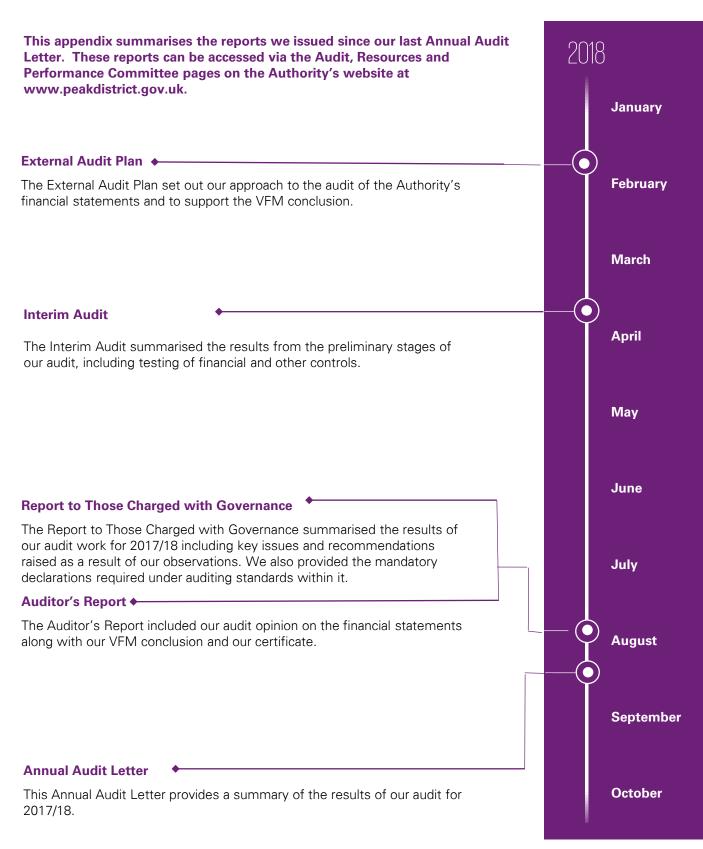


Appendices



Appendix 1:

Summary of reports issued





Appendix 2:

Audit fees

This appendix provides information on our final fees for the 2017/18 audit.

External audit

Our final fee for the 2017/18 audit Peak District National Park Authority was £13,259 (2016/17; £13,259) which is in line with the planned fee.

Other services

We did not charge any additional fees for other services.

All fees quoted are exclusive of VAT.





The key contacts in relation to our audit are:

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact John Cornett, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to Andrew.Sayers@kpmg.co.uk. After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

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