



Audit Completion Report
Peak District National Park Authority – year ended 31 March 2024

Appendix 2

February 2025

Members of Peak District National Park Authority

Aldern House,
Baslow Road,
Bakewell,
DE45 1AE

7th February 2025

Forvis Mazars
One St Peters Square
Manchester
M2 3DE

Dear Committee Members,

Audit Completion Report – Year ended 31 March 2024

We are pleased to present our Audit Completion Report for the year ended 31 March 2024. The purpose of this document is to summarise our audit conclusions. The scope of our work, including identified significant audit risks, and other key judgement areas, was outlined in our Audit Strategy Memorandum, which we presented to you on 26th July 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.

We would like to express our thanks for the assistance of your team during our audit. If you would like to discuss any matters in more detail then please do not hesitate to contact me on +44 (0)161 238 9349.

Yours faithfully



Daniel Watson

Forvis Mazars LLP

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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
- Valuation of Land & Buildings
- Valuation of the Net Defined Benefit Pension
- General Ledger Transfer

Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; unadjusted misstatements total £153k. 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 significant matters remaining outstanding as outlined in section 2.

We will provide an update to you in relation to the significant matters outstanding through issuance of a follow up letter.

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:



Audit opinion

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.



Value for Money

We have no significant weaknesses in arrangements 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)

We anticipate completing our work on the Authority's WGA submission, in line with the group instructions issued by the NAO. We anticipate reporting that the WGA submission is consistent with the audited financial statements.



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 confirm that no such correspondence from electors has been received.

02

Status of the audit

Status of our audit

Our audit work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the satisfactory resolution of the outstanding matters set out below.

Reconciliation of trial balance to financial statements

The requested confirmations and explanations have been received from management. We are finalising our audit documentation in this area which will also be subject to our internal quality control procedures.



Journal entry testing

We are processing the evidence received for the last few items in our sample.



Grants testing

We are processing the evidence received for the last few items in our sample.



Cash flow statement, Cash and Cash Equivalents

We are finalising our audit documentation in this area.



Property plant and equipment - capital additions

We are waiting for some additional evidence for one item in our sample.



Creditors testing

We are finalising our audit documentation in this area.



Debtors testing

We are finalising our audit documentation in this area.



Final financial statements and Annual Governance Statement

When we receive the final set of financial statements and Annual Governance Statement we will conduct our final checks on those documents.



Management representation letter

Receipt of the signed letter of representation from the Authority



Audit review and quality control procedures

Completion of Audit Manager and Key Audit Partner review and Forvis Mazars quality control processes in respect of the audit.



Post balance sheet events

Review of post balance sheet events up to the point at which we sign our audit report



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.

03

Audit Approach

Audit Approach

Changes to our audit approach

There have been no changes to the audit approach we communicated in our Audit Strategy Memorandum, issued on 26th June 2024.

Materiality

Our provisional materiality at the planning stage of the audit was set at £0.321m using a benchmark of 2% of gross expenditure on a surplus/deficit on provision of services level.

Based on the final financial statement figures, the final overall materiality we applied was £0.369m (final performance materiality: £0.295m; final clearly trivial threshold: £0.011m.)

Use of experts

Management makes use of experts in specific areas when preparing the Authority's financial statements. We have used available third-party information to challenge the key valuation assumptions. Furthermore, no changes have been made to the planned approach as outlined in the Audit Strategy Memorandum.

Item of account	Management's expert	Our expert
Property Plant and Equipment	District valuer services	None
Pensions	Hymans Robertson Actuary for Derbyshire Pension Fund	PwC (the consulting actuary appointed by the National Audit Office)

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. The table below summarises the service organisations used by the Authority and our planned audit approach. There was no change to the planned approach as outlined in the ASM.

Items of account	Service organisation	Audit approach
Payroll Expenditure	Derbyshire County Authority	We will obtain assurance by understanding the processes and controls that the Authority has in place to assure itself that transactions are processed materially corrected. We will sample test 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. In this section, 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 further significant matters discussed with management;
- any significant difficulties we experienced during the audit; and

Significant Risks

Management override of controls

Description of the risk

In all entities, 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, 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

While some of our work on estimates, as well as our Journal Entry Testing, is not yet finalised, subject to resolving our queries and work set out in section 2, there are no matters to bring to the Authority's attention to date

Significant findings

Valuation Of The Net Defined Benefit Pension Asset/Liability

Description of the risk

The defined benefit liability relating to the Local Government pension scheme represents a significant balance on the Authority's balance sheet. The Authority uses an actuary to provide an annual valuation of these liabilities in line with the requirements of IAS 19 Employee Benefits. Due to the high degree of estimation uncertainty associated with this valuation, we have determined there is a significant risk in this area.

How we addressed this risk

We addressed this risk by:

- critically assessing the Authority's valuer's scope of work, qualifications, objectivity and independence to carry out the required programme of revaluations;
- Considering whether the overall revaluation methodologies used by the Authority's valuer are in line with industry practice, the CIPFA code of practice and the Authority's accounting policies;
- assessing whether valuation movements are in line with market expectations by considering valuation trends;
- critically assessing the treatment of the upward and downward revaluation movements in the Authority's financial statements with regards to the requirements of the CIPFA code of practice.
- Critically assessing the approach that the Authority adopts to ensure that assets that are not subject to revaluation in 2023/24 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Authority's valuers.

Audit conclusion

We identified one misstatement which has been adjusted in the final financial statements by management, in relation to the asset ceiling calculation. For more details please see Section 6.

Significant findings

Valuation of Property, Plant And Equipment

Description of the risk

Land and buildings are a significant balance on the Authority's balance sheet. The valuation of land and buildings is complex and is subject to a number of management assumptions and judgements. Due to the high degree of estimation uncertainty associated, we have determined there is a significant risk in this area

How we addressed this risk

We addressed this risk by:

- critically assessing the scope of work, qualifications, objectivity and independence of the Authority's valuers to carry out the required programme of revaluations;
 - considering whether the overall revaluation methodologies used by the Authority's valuers are in line with industry practice, the CIPFA code of practice and the Authority's accounting policies;
 - assessing whether valuation movements are in line with market expectations by considering valuation trends;
 - critically assessing the approach that the Authority adopts to ensure that assets that are not subject to revaluation in 2023/24 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Authority's valuers;
 - sample testing the completeness and accuracy of underlying data provided by the Authority and used by the valuers as part of their valuations; and
 - using relevant market and cost data to assess the reasonableness of the valuation as at 31 March 2024.
-

Audit conclusion

While our work on valuation of property plant and equipment is currently being finalised as part of our review process, we have identified two misstatements totalling £67k which have been adjusted in the final financial statements by management. There are no other matters to bring to the Authority's attention to date

Significant findings

Other key areas of management judgement/ enhanced risks

General Ledger Transfer

Description of the management judgement

During 2023/24, Peak District National Park Authority undertook an accounting system migration from Exchequer to Ipllicit.

In October 2023, the nominal ledger, accounts receivable and accounts payable functions were closed in Exchequer and became managed via Ipllicit. There is a risk that the migration will not capture all data held in the prior system. The omission of such data could ultimately lead to material misstatement within the financial statements. There is a further risk the migration leads to a loss of data and accounting records during transfer. Such a loss of data may result in a risk that during the audit, we are unable to obtain sufficient and appropriate third-party evidence.

How our audit addressed this area of management judgement

In order to address this risk, we:

- Gained an understanding of the process undertaken to transfer the data from one ledger to the other, and the checks performed by management to ensure that this was completed appropriately and successfully;
- Reviewed the Authority's reconciliation of the closing balances contained in the old general ledger at the date of the transfer to the open balances imported into the new general ledger

Audit conclusion

Audit procedures performed have not identified any material errors or uncertainties or any other matters that we wish to bring to the attention of Members

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.

Draft accounts were received from the Authority June 2024 and were of a good quality. However we have raised one significant control deficiency in respect to reconciliation to the trial balance. For further details please see Section 5.

Significant matters discussed with management

During our audit we communicated the following significant matters to management:

- The accounting treatment of infrastructure assets as per the statutory override.
- The correct financial reporting of the asset ceiling applied to the LGPS surplus
- The upcoming restructure of the Authority and its implications for our Value for Money reporting.

Significant difficulties during the audit

During the course of the audit, we did not encounter any significant difficulties. 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 such objections have been raised.

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 Members 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 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 Members.

The significant 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.

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.

Our other internal control observations, as at the date of this report, are set out in this section. These have been reported to management directly and have been included in this report for your information.

Whether internal control observations merit attention by Members and/or management is a matter of professional judgment, taking into account the risk of misstatement that may arise in the financial statements as a result of those observations.

Internal control conclusions

Significant deficiencies in internal control

In our view, the deficiencies in internal control set out in this section result in a potential for financial loss, damage to reputation, or a loss of information. This may have implications for the achievement of strategic objectives. Our recommendations should be considered for immediate action.

Description of deficiency

During the audit we encountered some difficulties in reconciling the Trial Balance/Ledger to the Financial Statements. The original working papers provided for audit were difficult to follow and management were unable to respond to some of our queries, due to staff turnover between the financial year and the subsequent producing of the working papers and statements. This was unrelated to the general ledger transfer, which is discussed in more detail in page 13.

Potential effects

If the underlying trial balance cannot be readily reconciled, there is an increased risk of material misstatement in the draft financial statements. Additionally the errors noted above resulted in a £25k over-appropriation of budget surplus to reserves which has an impact on the Authority's budgeting procedures.

Recommendation

We recommend that procedures in respect of the reserves appropriation account be subject to closer to review by management.

Management response

We recognise that the process for reserves and other appropriations is not fit for purpose. Historically, this has been done after the outturn is produced, post draft statements. This will now be fully reconciled at the same point as outturn to ensure no misstatements in the accounts. The appropriation account has now been built into the new Statement of Financial accounts automated excel reconciliation file, which will be rolled out for FY 24/25 financial statements.

The issue reconciling the underlying TB to the financial statements has been noted. The new Statement of Financial accounts automated excel reconciliation file, will address this issue going forward. Having gone through the audit process, the team understand better the requirements of the Auditors in terms of the backup needed, so can be more prepared to provide the relevant information.

Internal control conclusions

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

When testing capital disposals within Property, Plant and Equipment we noted that for some of the items selected there was not sufficient backing documentation. When testing a disposal from Warslow Moor, we noted that the asset had not been componentised despite containing several buildings. Therefore, when it was partially disposed of, the values had to be estimated and could not be traced to records.

Potential effects

If transactions within the authorities fixed asset register cannot be appropriately supported by evidence, then there is a higher risk of material misstatements within the financial statements

Recommendation

We recommend that when adding or removing values from the fixed asset register these can be appropriately supported by evidence.

Management response

We agree with the finding around Warslow Moor and the issue where assets are not componentised. Warslow Moors, was gifted to PDNPA as a community asset, therefore the estate asset value was £0 on acceptance. The value of this asset has been built up over time due to work completed on the estate but not attributed to any particular property within the asset. Due to this issue in the fixed asset register, the estimation basis was the most prudent approach we could take to value the asset in question. This included valuing any enhancements that had been made to the particular asset being disposed of, since acquisition. Historical data is not available to capture the actual accounting values, attributed to elements of an asset. Going forward, additions will be componentised on our Fixed Asset register, to ensure accurate records are kept. However, we will encounter the same issue around historical data, for Warslow Moors on future disposals.

Internal control conclusions

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

When performing our audit testing of payroll we noted that a significant proportion of our sample did not have signed employment contracts.

Potential effects

While we presume that the contracts were originally signed by the employees, if they're not kept on record there may be future compliance issues.

Recommendation

We recommend that signed employment contracts be kept on file

Management response

Since 2021, all contracts are signed and filed electronically. We recognise, that some of the samples collected did not contain signatures and therefore, there is flaw in the process. This has been addressed with the Head of People and new controls are to be implemented, to ensure all employees, have a signed contract on file. This will apply to new staff and any role changes that trigger a new contract. A data cleansing exercise will need to be carried out to ensure all contracts on file contain an employee signature.

Internal control conclusions

Progress made on previous internal control points

We set out below an update on internal control points raised in the prior year.

Description of deficiency

Testing of income cut off identified a weakness relating to the year end accruals process and controls

Management update on progress

Checks are now in place to ensure income is only recognised in the year it relates too. This is particularly relevant for rental and concession income (where the small error occurred in FY22/23). Our new year end timetables, ensures checks on income recognition are completed by the Accountant and reviewed by the Finance Manager, ahead of year end close down.

Description of deficiency

Our journals testing highlighted that there had been authorisation of journals with no formal documentation of approval. We understand that these were posted by a finance team member before being approved by Head of Finance.

Management update on progress

The new finance system, Iplcic, which was implemented in October 2023, provides an approval workflow and user log for journal records. The new system now ensures that a journal is uploaded and approved by different users, therefore ensuring segregation of duties. Workflows are managed by our Iplcic superuser and updated as appropriate. The user log is auditable, thereby providing a record of the different users involved in processing a journal. We have encountered no such issues since its implementation.

Description of deficiency

The fixed asset register lacks sufficient clarity to facilitate accurate accounting we have identified that as a result a non enhancing addition in the register was input into its own asset line and not subsequently impaired causing land and buildings to be overstated.

Management update on progress

The new asset management system, Techforge, has been commissioned. It has however, had a delay in implementation but is planned to go live in FY25/26 financial year. This means that all information relating to fixed assets will be held in one place and reduce the likelihood of similar mistakes, in the future.

06

Summary of misstatements

Summary of misstatements

We set out below and on the following pages a summary of the misstatements we identified during our audit, above the trivial threshold for adjustment of £11k .

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. The second table outlines the misstatements we identified that have been adjusted by management.

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Audit Summary Memorandum, issued in June 2024. Any subsequent changes to those figures are set out in the section 3 of 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.

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: CIES - Other Services Expenses Cr: Short Term Creditors This is the extrapolation of a £2k understatement of expenditure for the 23/24 portion of the Civica licence fee which was not accrued for at the year-end.	18			18
Dr: CIES - Fees Charges And Other Service Income Cr: Short Term Debtors This is the extrapolation of a £2k overstatement of income within the 23/24 year for contract between the authority and the Field Head campsite. The error arose because the contract spans multiple years and the accruals for the prior and current years were mismatched.	123			123
Dr: Short Term Debtors Cr: CIES - Fees Charges And Other Service Income This is the extrapolation of a £13k underestimate of a receivable in relation to Combs Moss Restoration Project from Nestle Waters UK Ltd.		24	24	
Dr: CIES - Other Services Expenses Cr: Short Term Creditors This is the extrapolation of four invoices selected in our sample which had a combined estimation variance (accrual versus actual invoice received post year-end) of £12k	36			36
Aggregate effect of unadjusted misstatements	153			153

We will obtain written representations confirming that, after considering the unadjusted misstatements, both individually and in aggregate, in the context of the financial statements taken as a whole, no adjustments are required.

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 Members should be made aware of.

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: Revaluation Reserve Cr: Property Plant And Equipment - Land & Buildings This is the combination of two misstatements relating to valuations of land and buildings which were caused by incorrect formulas in the workings. The first relates to Parsley Hall and the second to Waterhouses Car Park			67	67
Dr: CIES – Other Comprehensive Income/Expenditure - Actuarial Gains Losses On Pension Assets/Liabilities Cr: Net Defined Benefit Pension Asset/Liability The effect of the asset ceiling was not taken into account in the draft financial statements provided for audit. This reduces the amount of surplus that can be reported in the Authority's net defined benefit pension disclosures in accordance with applicable accounting standards.	8,359			8,359
Dr: CIES – Grant Income Cr: Short Term Debtors This is the overstatement of a grant receipt debtor from Natural England. This portion of 25% of the total receipt was expected to be self funded by the Authority and therefore would not have fulfilled the definition of a debtor at the year end.	197			197
Aggregate effect of adjusted misstatements	8,541			8,541

Summary of misstatements

Disclosure misstatements

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

- CIES – Other Services Expenses: £15k which was mapped to both Other Service Expenses and Financing and Investment Income/Expenditure resulting in a duplication of expenditure in the overall CIES
- Note 11 – Property, Plant & Equipment: disclosures relating to the statutory override for infrastructure assets were missing
- Note 21 Income And Expenditure Analysed By Nature ‘Grants’ line to be changed to ‘Grants And Contributions’ to better reflect the values making up this balance
- Other miscellaneous minor typographical errors

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.

The table overleaf outlines the risks of significant weaknesses in arrangements that we have identified, the risk-based procedures we have undertaken, and the results of our work.

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 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 in February 2025.

Status of our work

We have completed our work in respect of the Authority's arrangements 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 in February 2025.

Appendices

A: Draft management representation letter

B: Draft audit report

C: Confirmation of our independence

D: Other communications

Appendix A: Draft management representation letter

From:

Sinead Butler, Finance Manager
Peak District National Park Authority
Aldern House
Baslow Road
Bakewell
DE45 1AE

To:

Daniel Watson, Partner
Forvis Mazars LLP
One St Peter's Square
Manchester
M2 3DE

Date: XXX

Dear Daniel

Peak District 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 Peak District National Park Authority for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the statement of accounts give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), and applicable law.

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 statement of accounts 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 statement of accounts such as records, documentation and other material;

Appendix A: Draft management representation letter

- additional information that you have requested from me 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 Finance Manager / S151 Officer 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.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with the Code and 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 fair value

I confirm that any significant assumptions used by the Authority in making accounting estimates, including those measured at current or fair value, are reasonable. I confirm that I am satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities for IAS19 disclosures are consistent with my knowledge. I confirm that all settlements and curtailments have been identified and properly accounted for. I confirm that all significant retirement benefits have been identified and properly accounted for (including any arrangements that are statutory, contractual or implicit in the employer's actions, that arise in the UK or overseas, that are funded or unfunded).

Group Accounts

I confirm that I have reviewed the accounting transactions of the Authority's partnerships and joint ventures and am satisfied that these do not need lead to the need for the Authority to prepare group accounts.

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.

Appendix A: Draft management representation letter

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 Code and applicable law.

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 Finance Manager / S151 Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the statement of accounts 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 below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Appendix A: Draft management representation letter

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.

Charges on assets

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

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 disclosure in the subsequent events note to the financial statements fairly reflects that assessment.

Covid-19

I confirm that I have carried out an assessment of the on-going impact of the Covid-19 Virus pandemic on the Authority, including the impact of mitigation measures and uncertainties, and that the disclosure in the Statement of Accounts 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 disclosure in the Statement of Accounts 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

I confirm that the effects of any uncorrected misstatements are set out at Appendix **XX** and are immaterial, both individually and in aggregate, to the financial statements as a whole.

Yours faithfully

Sinead Butler

Finance Manager and S151 Officer

Appendix B: Draft audit report

Independent auditor's report to the members of Peak District National Park Authority

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Peak District National Park Authority ("the Authority") for the year ended 31 March 2024, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement Collection Fund Statement and notes to the financial statements, including material accounting policy information. 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.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31st March 2024 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Finance Manager' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Chief Financial Officer Finance Manager with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Financial Officer Finance Manager' is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Appendix B: Draft audit report (continued)

We have nothing to report in this regard.

Responsibilities of the Finance Manager for the financial statements

As explained more fully in the Statement of the Finance Manager' Responsibilities, the Finance Manager 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 Finance Manager is also responsible for such internal control as the Finance Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Finance Manager 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 Finance Manager 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring with management and the National Park Authority Committee, as to whether the Authority is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Authority which were contrary to applicable laws and regulations, including fraud.

We evaluated the Finance Manager' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the National Park Authority Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;

Appendix B: Draft audit report (continued)

- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing audit work over accounting estimates, journal entries and significant transactions outside the normal course of business or which are otherwise unusual.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the National Park Authority Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Finance Manager' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

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

Appendix B: Draft audit report (continued)

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.

Use of the audit report

This report is made solely to the members of Peak District 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.

Delay in certification of completion of audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Authority's Whole of Government Accounts consolidation pack.

Daniel Watson Key Audit Partner
For and on behalf of Forvis Mazars LLP

One St Peter's Square
Manchester
M2 3DE

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
<p>Compliance with Laws and Regulations</p>	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>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.</p>
<p>External confirmations</p>	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
<p>Related parties</p>	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ul style="list-style-type: none"> 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.
<p>Going Concern</p>	<p>We have not identified any evidence to cause us to disagree with the Chief Financial Officer that 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..</p> <p>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.</p>

Appendix D: Other communications

Other communication	Response
<p>Subsequent events</p>	<p>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.</p> <p>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.</p>
<p>Matters related to fraud</p>	<p>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 Members, confirming that</p> <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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

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