

10. EXTERNAL AUDIT – 2023/24 STATEMENT OF ACCOUNTS & EXTERNAL AUDITORS' REPORTS

1. Purpose

To seek approval for the audited Statement of Accounts for 2023/24 and for Members to consider the External Auditors' (Mazars) Audit Completion Report 2023/24 and External Audit Annual Report for 2022/3 and 2023/24. Jennifer Norman, Audit Manager at Mazars, will be at the Authority meeting to present the report and to answer any questions.

2. Context

2.1 The production of the draft Statement of Accounts as at the 31 March each year is a statutory requirement. The draft accounts were authorised for issue by the Chief Finance Officer by 31st May 2024 in line with the statutory deadline. The audited accounts must also be approved be presented to Members for their approval.

2.2 Section 9 (3) a of the Accounts and Audit Regulations 2015 requires "that the responsible financial officer for a Category 1 authority must re-confirm on behalf of that Authority that they are satisfied that the statement of accounts presents a true and fair view of: (a) the financial position of the authority at the end of the financial year to which it relates; and (b) that authority's income and expenditure for that financial year." The Chief Finance Officer re-confirms that the Statement of Accounts in Appendix 1 meets the above requirement

2.3 The final Statement of Accounts for 2023/24 is presented at Appendix 1. The Audit Completion report (ACR) is presented at Appendix 2. The Auditors Annual Report (AAR) is presented at Appendix 3.

2.4 The Chief Finance Officer and Finance team have responded to queries raised by the External Auditors during the course of the audit. These are detailed in the External Auditors' Audit Completion Report (ACR) presented at Appendix 2. Significant risks and audit findings, outlined in the report have been adjusted and restated in the final Statement of Accounts, presented at Appendix 1. Significant findings, including the restating of the net defined benefit pension asset, in relation to the asset ceiling calculation, have been adjusted. This has no impact on the Authorities' outturn or reserves. It is purely an accounting adjustment between the balance sheet and unusable reserves.

2.5 The External Auditor has raised four internal control recommendations. One significant control deficiency and three 'other' control deficiencies. Management have responded to these recommendations and mitigation plans have been outlined in the External Audit Annual report (AAR) at Appendix 3.

2.6 Since 2020/21, the Statement of Accounts Code of Audit Practice has required the Authority's External Auditors to comment on the value for money arrangements of the Authority. The Auditors are required to report on significant weaknesses in the Authority's arrangements for securing economy, efficiency and effectiveness in use of resources instead of reporting a form of conclusions. The three criteria in the new

Code of Practice are financial sustainability, governance and improving economy, efficiency and effectiveness.

3. Proposals

- 3.1 Members are asked to consider the final Statement of Accounts for 2023/24, presented at Appendix 1. These include amendments and updates to the draft Statement of Accounts 2023/24, presented to Authority in July 2024, as outlined in Appendix 2 and Appendix 3. The External Auditors' anticipates an unqualified audit opinion on the 2023/24 Statement of Accounts.
- 3.2 The External Auditors' Audit completion report (ACR) is presented at Appendix 2. The External Auditor plans to issue an audit report that includes an unqualified opinion, on the financial statements. This is subject to the Authority considering this report, approving the financial statements and receiving the letter of management representations at Appendix A within the audit report at Appendix 2.
- 3.3 Members are asked to consider the External Auditors' Annual Report (AAR) for 2023/24. The report has found no risk or actual significant weaknesses in the Authority's VFM arrangements and has issued an unqualified Value for Money (VFM) conclusion.
- 3.4 The External Auditors' Annual Report for 2023/24 is at Appendix 3. This includes internal control deficiencies and management responses on mitigation plans.

4. Recommendations

- 4.1 To approve the audited Statement of Accounts for 2023/24 at Appendix 1.**
- 4.2 To consider and note the External Auditor's Audit Completion Report (ACR) 2023/24 at Appendix 2.**
- 4.3 To consider and note the External Audit Annual report (AAR) 2023/24 at Appendix 3.**
- 4.4 To consider and note the External Audit Annual report (AAR) 2022/23 at Appendix 4**
- 4.4 To note that the Statement of Accounts & associated Letter of representation, needs to be signed by the Chair and by the Chief Finance Officer, once the external audit has been completed, provided that the overall opinion in the audit report remains unqualified.**

5. Corporate Implications

a. Legal

The duties and powers of auditors are set out in the Local Audit and Accountability Act 2014, the Local Government Act 1999, the Statement of Responsibilities of Auditors and Audited Bodies and the Code of Audit Practice. Achieving an unqualified opinion on the financial statements and satisfying the Auditor that the

Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

b. Financial

The cost of the External Audit Service contract is found from within the overall Finance budget. Planned fees have increased year on year by 150% and the forecasted cost, including scale fee adjustments, is estimated at £56k for 2023/24. Planned fees are forecast to rise by an additional 10% for 2024/25. This increase has been agreed and authorised by the PSAA (Public Sector Audit Appointments). Central government gave all Local Authority additional financial support to meeting increasing audit fees and the Authority received a £6.2k contribution.

c. National Park Management Plan and Authority Plan

The work of the External Auditors is a key part of our governance arrangements and helps us to monitor and improve performance against our ambition in the Authority Plan to be a financially resilient organisation and provide value for money. Achieving an unqualified opinion from the External Auditor is part of the target for Objective D (Financial Resilience)

d. Risk Management

The scrutiny and advice provided by External Audit is part of our governance framework. The External Auditor's work is based on an assessment of audit risk as explained in The External Auditors report at Appendix 1.

e. Net Zero

There is no impact

6. Background papers (not previously published)

None.

7. Appendices

Appendix 1: Statement of Accounts 2023/24

Appendix 2- External Auditors' Audit Completion Report (ACR) 2023/24

Appendix 3- External Auditors' Annual Report 2023/24

Appendix 4- External Auditors' Annual Report 2022/23

Report Author and Responsible Officer, Job Title and Publication Date

Author: Sinead Butler, Finance Manager & Chief Financial Officer. Responsible Officer: Emily Fox, Head of Resources 30 January 2025