

13. EXTERNAL AUDIT – 2024/25 STATEMENT OF ACCOUNTS & EXTERNAL AUDITORS' REPORTS

1. Purpose

To seek approval for the audited Statement of Accounts (SOFA) for 2024/25 and for Members to consider the External Auditors' (Forviz Mazars) Audit Completion Report 2024/25 and External Audit Annual Report for 2024/25. Jennifer Norman, Audit Manager at Forviz 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 on 28th May 2025, ahead of the statutory deadline of 30th June 2025. The audited accounts must also be presented to Members for their approval.

2.2 Regulation 9(3)(a) of the Accounts and Audit Regulations 2015 requires that before approval by the Authority of the statement of accounts, the responsible financial officer 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 Financial Officer re-confirms that the Statement of Accounts in Appendix 1 meets the above requirement.

2.3 The final Statement of Accounts for 2024/25 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 Financial Accountant have responded to queries raised by the External Auditors during the course of the audit. These are detailed in the ACR presented at Appendix 2.

2.5 Significant risks and audit findings within in the report, where required, have been adjusted and restated in the final Statement of Accounts, presented at Appendix 1.

2.6 Significant findings in pension valuations, sit within the wider Derbyshire Pension Fund, who manage the Authorities' pension fund. The Authority's estimated overstatement has not been adjusted in the SOFA, as it is not considered material.

2.7 Separately, we are awaiting the final report from our actuaries to confirm the updated assets and liabilities balance as at 31 March 2025. Should the movements be deemed material, we will update the relevant tables and notes to the accounts accordingly. This adjustment is purely accounting in nature, affecting the balance sheet and unusable reserves only and has no impact on the Authority's financial outturn or usable reserves. Given the timing of the next Authority meeting and the statutory audit backstop deadline (both being 27 February 2026), we are seeking approval for the Chief Financial Officer to be delegated authority, in consultation with the Chair and Vice-Chair of the Authority, to update the pension valuation figures within the accounts. This delegation would avoid the need to convene a Special Full Authority meeting to bring the accounts back for formal re-approval.

2.8 The External Auditor has raised three internal control recommendations. There are no 'significant control deficiencies and three 'other' control deficiencies. Management have

responded to these recommendations and mitigation plans have been outlined in the AAR at Appendix 3.

2.9 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. This can be found within Appendix 3.

3. Proposals

3.1 Members are asked to consider the final Statement of Accounts for 2024/25, presented at Appendix 1. These include amendments and updates to the draft Statement of Accounts 2024/25, published on the Authority's website in May 2025. Amendments and updates are outlined in the ACR, presented at Appendix 2. The External Auditors plans to issue an unqualified audit opinion on the 2024/25 Statement of Accounts.

3.2 The ACR is presented at Appendix 2. The External Auditor plans to issue an audit report that includes an unqualified opinion, on the Statement of Accounts. This is subject to the Authority considering this report, approving the Statement of Accounts and receiving the Letter of Representations from the Chief Financial Officer, on final signing of the accounts.

3.3 Members are asked to consider the AAR for 2024/25 at Appendix 3. The report has found no risk or actual significant weaknesses in the Authority's VFM arrangements and has issued an unqualified Value for Money conclusion. This also includes internal control deficiencies and management responses on mitigation plans.

4. Recommendations:

4.1 To approve the audited Statement of Accounts for 2024/25 at Appendix 1.

4.2 To delegate authority to the Chief Financial Officer in consultation with the Chair and Vice-Chair of the Authority to update the Statement of Accounts with the pension valuation figures when received, prior to publication of the audited Statement of Accounts for 2024/25.

4.2 To consider and note the External Auditor's Audit Completion Report (ACR) 2024/25 at Appendix 2.

4.3 To consider and note the External Audit Annual report (AAR) 2024/25 at Appendix 3.

4.4 To note that the Statement of Accounts & associated Letter of Representation, will be signed by the Chair of the Authority and by the Chief Financial Officer, once the external audit has been completed, provided that the overall opinion in the audit report remains unqualified.

5. Corporate Implications

a. Legal

As contained in the report.

Pursuant to Regulation 9A of the Accounts and Audit Regulations 2015, the Authority has a statutory duty to publish the Statement of Accounts for 2024/25 on or before the 27th February 2026.

The requirement for the Authority's external auditors to produce an Annual Report is set out in the Code of Audit Practice issued by the National Audit Office. Pursuant to the Local Audit and Accountability Act 2014, the Council's external auditors are required to consider whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money).

Pursuant to section 3(3) of the Local Audit and Accountability Act 2014, the Authority must keep adequate accounting records and prepare an annual Statement of Accounts. As set out in the report, the Accounts and Audit Regulations 2015 prescribe the detailed requirements for the preparation, approval and publication of the Statement of Accounts.

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 10% and the forecasted cost, including scale fee adjustments and fee variations, is estimated at £62k for 2024/25. Planned fees are forecast to rise by an additional 4% for 2025/26. 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

The audit of the 2024/25 Statement of Accounts has been conducted entirely remotely, with the only travel requirement being attendance at the Authority meeting to present the findings. This approach has contributed positively to the Authority's carbon reduction efforts, aligning with our Net Zero objectives by minimising travel-related emissions.

6. Background papers (not previously published)

None.

7. Appendices

Appendix 1: Statement of Accounts 2024/25

Appendix 2- External Auditors' Audit Completion Report (ACR) 2024/25

Appendix 3- External Auditors' Annual Report 2024/25

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 10/11/2025