

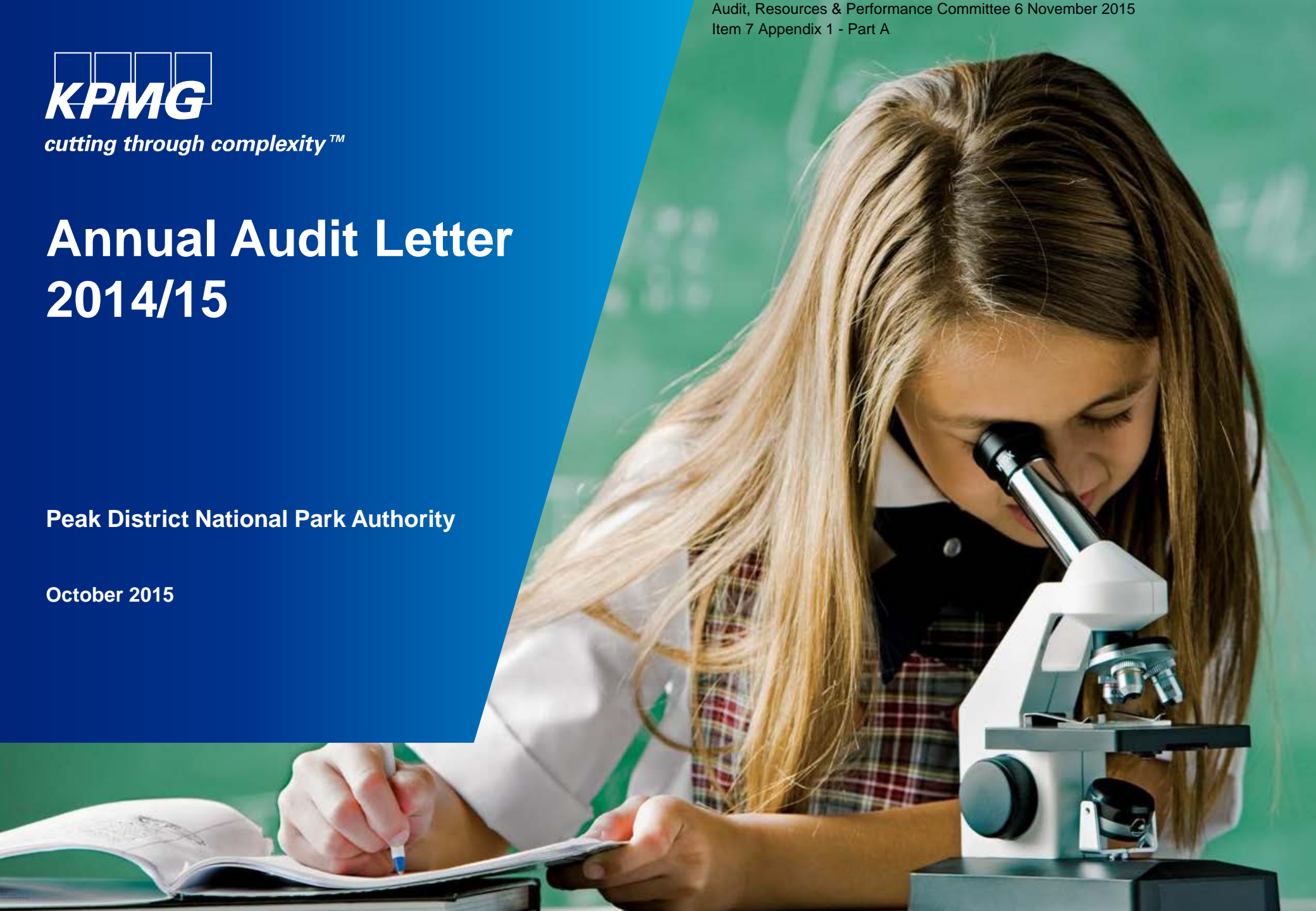


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Annual Audit Letter 2014/15

Peak District National Park Authority

October 2015



The contacts at KPMG in connection with this report 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. The Audit Commission issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies* summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website (www.psa.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 **Sue Sunderland**, 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, Trevor Rees (on 0161 246 4000, or by email to trevor.rees@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.

This report summarises the key findings from our 2014/15 audit of Peak District National Park Authority (the Authority).

Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.

Our audit covers the audit of the Authority's 2014/15 financial statements and the 2014/15 VFM conclusion.

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| VFM conclusion | <p>The Audit Commission (now NAO) determined that the scope of our work on value for money at the Authority is limited to a review of your annual governance statement (AGS) unless any specific risks are identified.</p> <p>We reviewed your AGS and considered the specific risk area identified below and we had no matters to formally report within our opinion.</p> |
| VFM risk areas | <p>Our initial risk assessment work at the planning stage of the audit identified one risk area linked to the ongoing need to deliver savings and cost reductions to maintain financial resilience.</p> <p>We critically assessed the controls the Authority has in place to ensure a sound financial standing and reviewed how the Authority is planning and managing its savings plans. We concluded that we did not need to carry out additional work for this risk as there was sufficient relevant work that had been completed by the Authority in relation to this risk area.</p> |
| Audit opinion | <p>We issued an unqualified opinion on the Authority's financial statements on 21 September 2015. 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.</p> |
| Financial statements audit | <p>We identified no issues in the course of the audit that are considered to be material.</p> <p>We identified one risk area at the planning stage around the spreadsheet based fixed asset register. We noted some improvements to the register this year in response to last year's recommendations but had to spend additional time tracing through the reconciliation to the accounts. This identified a further, albeit minor formula error, which undermines the assurance we can place on the spreadsheet. We have made another high priority recommendation this year.</p> <p>Otherwise the Authority has good processes in place for the production of the accounts and good quality supporting working papers. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales.</p> <p>We have had regular meetings with Officers throughout the year which has facilitated delivery of the audit.</p> |
| High priority recommendations | <p>We raised one recommendations as a result of our 2014/15 audit work which is set out in Appendix 1.</p> |
| Annual Governance Statement | <p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p> |

All the issues in this Annual Audit Letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 2.

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| 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. |
| Certificate | We issued our certificate on 21 September 2015. The certificate confirms that we have concluded the audit for 2014/15 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i> . |
| Audit fee | Our fee for 2014/15 was £14,275, excluding VAT. Further detail is contained in Appendix 2. |

This appendix summarises the one high priority recommendation that we identified during our 2014/15 audit, along with your responses to them.

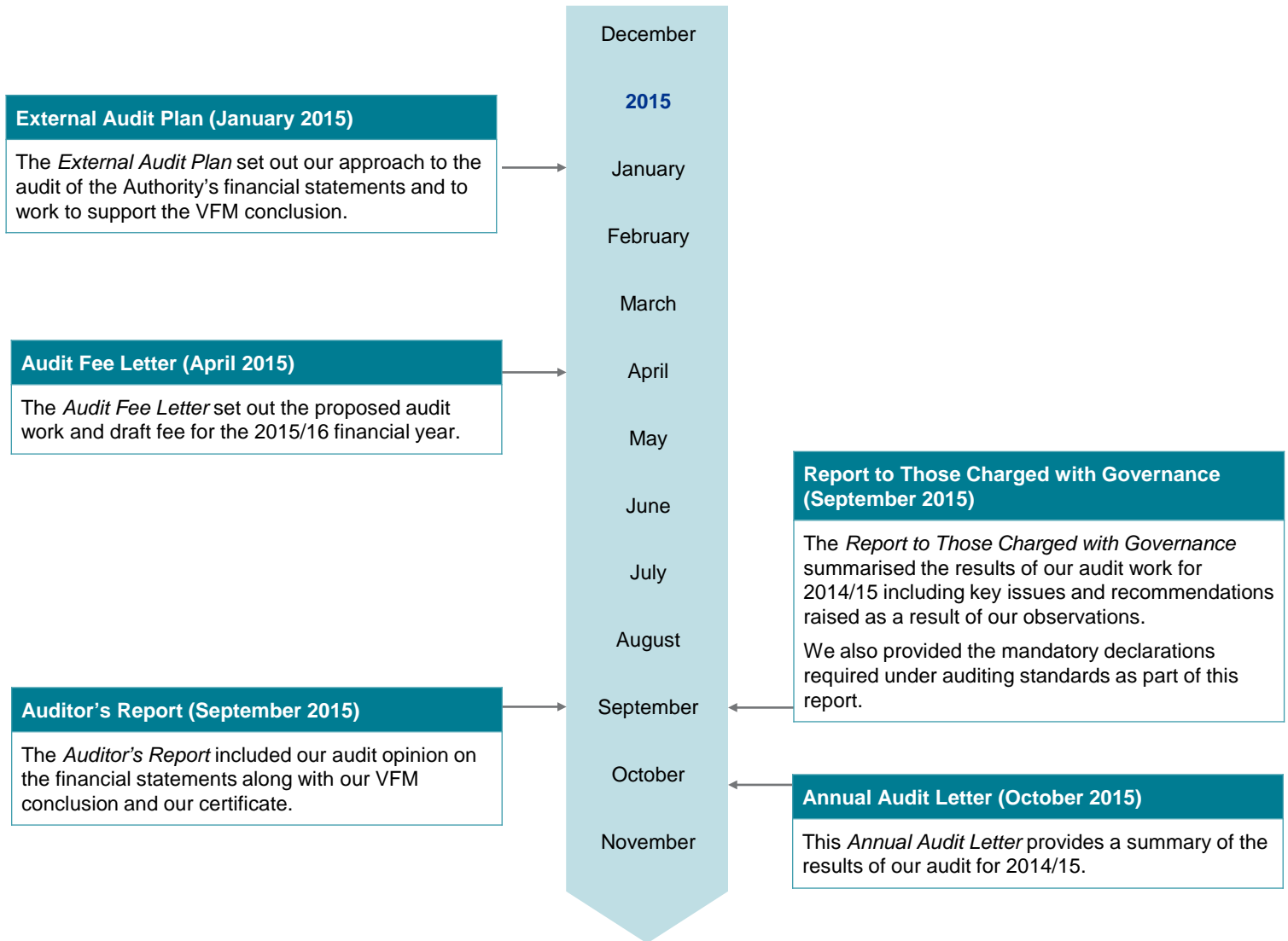
| No. | Issue and recommendation | Management response / responsible officer / due date |
|-----|---|---|
| 1 | <p>Fixed Asset Register (FAR)</p> <p>The FAR was raised as a recommendation in 2013-14 and improvements have been made. However, a formula error was again identified and considerable work is required to confirm the integrity of the data.</p> <p>Recommendation</p> <p>The Authority should consider whether the spreadsheet used for the FAR is still fit for purpose, or whether a FAR software package would be more appropriate. If the spreadsheet is maintained, the document should include the PPE note from the accounts, detailing where all the information can be found in the spreadsheet.</p> | <p>The Head of Finance will look further at the possibility of a stand alone fixed asset register, and compare the benefits and costs with the current spreadsheet, as it is accepted that the issues within the spreadsheet (largely self-contained within Note 11 and the complexities of accounting for cumulative depreciation and derivations of gross book value) make for a complex spreadsheet.</p> <p>The PPE note already links to the fixed asset spreadsheet from the main accounts spreadsheet, and the links are considered to be clear as the formulas all point to relevant cells in the fixed asset register, but the recommendation will be an improvement and will be implemented for next year, together with improvements to the linkages in the opening and closing balances.</p> |

Follow up of previous recommendations

As part of our audit work we followed up on the Authority's progress against previous audit recommendations. We are pleased to report that other than the reiteration of the recommendation above, the Authority has taken appropriate action to address the issues that we have previously highlighted through our recommendations.

Appendix 2: Summary of reports issued

This appendix summarises the reports we issued since our last *Annual Audit Letter*.



This appendix provides information on our final fees for the 2014/15 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2014/15 planned audit fee.

External audit

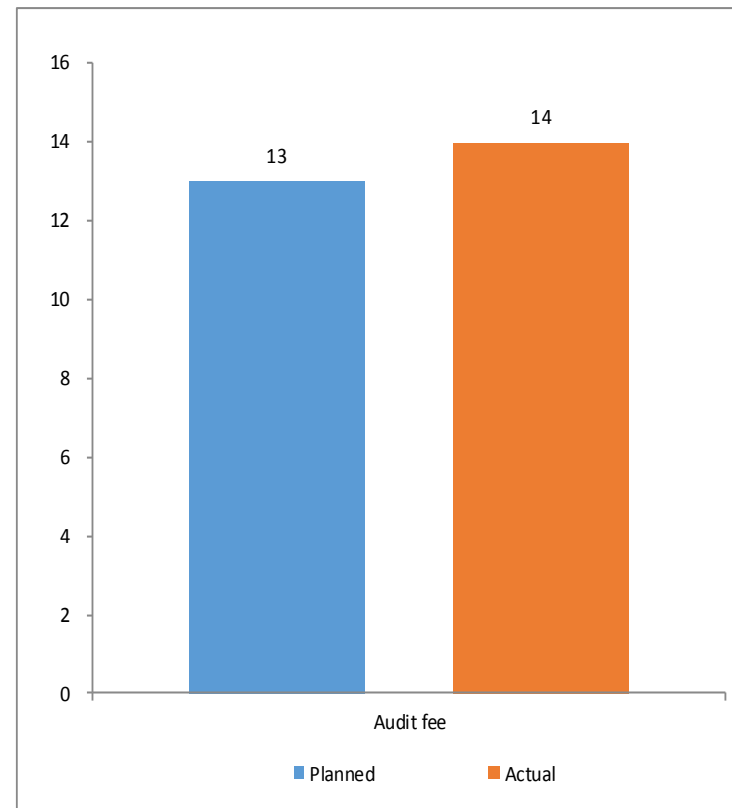
Our final fee for the 2014/15 audit was £14,275. This compares to a planned fee of £13,259.

The reasons for this variance is an increased fee for the audit of the financial statements reflecting additional work around auditing the reconciliation between the accounts and the fixed asset register.

Our proposed fees are still subject to final determination by PSAA Ltd.

Other services

We did not charge any additional fees for other services.





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