



Audit Completion Report

North Yorkshire Council – year ended 31 March 2024

February 2025

Audit Committee
North Yorkshire Council
County Hall
Racecourse Lane
Northallerton
DL7 8AD

February 2025

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 in October 2023.

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.

As a result of the legislative backstop arrangements introduced by the amendments to the Accounts and Audit Regulations 2015, we are unable to complete the audit as originally planned, in advance of the backstop date of 28 February 2025. We provide more information on the legislative backstop arrangements and its implications for the audit and our audit report, in section 2.

We will continue to work closely with you and management to take the necessary steps to rebuild assurance over future accounting periods and will provide further updates to future meetings of this committee. In line with the guidance issued by the National Audit Office, as endorsed by the Financial Reporting Council, we hope to return to a standard audit cycle where we are able to obtain sufficient, appropriate evidence in order to issue an unmodified audit opinion in as short a period as practicable.

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 07747 764529.

Yours faithfully

Signed: {{_es_:signer1:signature }}

Mark Kirkham
Forvis Mazars LLP

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Our reports are prepared in the context of the 'Statement of Responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. Reports and letters prepared by appointed auditors and addressed to the Council are prepared for the sole use of the Council and we take no responsibility to any member or officer in their individual capacity or to any third party.

01

Executive Summary

Executive summary

The scope of our audit and implications of the backstop arrangements

Our audit of the financial statements

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 report, 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.

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 in October 2023. The government has introduced measures intended to resolve the local government financial reporting backlog. Amendments to the Accounts and Audit Regulations require the Council to publish its audited 2023/24 financial statements and accompanying information on or before 28 February 2025. In accordance with the Code, we are required to provide our audit report in sufficient time to enable the Council to meet these responsibilities, whether the audit is completed or not.

Auditing standards require auditors to consider whether they have obtained sufficient appropriate assurance that the financial statements present a true and fair view and have been prepared, in all material respects, in line with the Code of Practice on Local Authority Accounting. Where the auditor determines they have been unable to obtain sufficient appropriate assurance, they must consider the implications of this on their audit report.

The Council was established on 1 April 2023 from the former County, District and Borough councils in North Yorkshire. Although some of the former councils received unmodified auditor's opinions on their 2022/23 financial statements, some were disclaimed by their predecessor auditors. The backstop date introduced by the Amendment Regulations has impeded our ability to obtain sufficient appropriate evidence for the new Council's opening balances upon which to form an opinion on the financial statements as there has been insufficient time to perform all necessary audit procedures. In our view, the effects of the resulting lack of assurance is both pervasive and material to the financial statements as a whole. As a result, we intend to issue a disclaimer of opinion on the Council's financial statements. We have included our proposed audit report in Appendix B.

When an opinion is disclaimed the auditor does not express an opinion on the financial statements and, consequently, no assurance is provided on the financial statements.

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 in our Audit Strategy Memorandum:

- management override of controls;
- valuation of the property, plant and equipment (PPE), investment properties and assets held for sale;
- net defined benefit liability / (asset) valuation;
- revenue recognition.

Misstatements and internal control recommendations

Despite our intention to issue a disclaimer of opinion, where matters come to our attention through the course of our audit, we may be required to report these to you. Section 4 sets out internal control recommendations and section 5 sets out audit misstatements; unadjusted misstatements total £17.089m. Section 6 outlines our work on the Council'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, with the exception of work on the opening balances of the new Council.

Value for money arrangements

The amendments to the Accounts and Audit Regulations do not affect our responsibilities in relation to the Council's value for money arrangements. We anticipate having no significant weaknesses in arrangements to report in relation to the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources.

Whole of Government Accounts

As a result of the backstop arrangements and our intention to issue a disclaimer of opinion on the Council's financial statements, we anticipate reporting to the NAO that we are unable to complete the mandatory audit procedures specified in their Group Audit Instructions. We are awaiting confirmation of when and how this should be reported to the NAO.

Executive summary

The scope of our audit and implications of the backstop arrangements (continued)

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 Council and to consider any objection made to the accounts. We received three statutory objections:

- two challenged the contents of the Annual Governance Statement; and
- one challenged the accounting arrangements for the Scarborough Harbour undertaking.

02

Audit Approach

Audit Approach

Changes to our audit approach

Section 1 of this report explains the implications of the backstop arrangements introduced by the recent amendments to the Accounts and Audit Regulations and confirms that we intend to issue a disclaimer of opinion on the Council's financial statements. As a result, we have not completed our planned procedures to respond to the significant and enhanced risks which we previously reported to you.

Materiality

Our provisional materiality at the planning stage of the audit was set at £32.750m using a benchmark of 2% of gross revenue expenditure.

Based on the final financial statement figures and changes to the opening balances due to the finalisation of the prior year audit and valuation work, alongside adjusted misstatements identified during our audit (see page 26), the final overall materiality we applied was £34.5m (final performance materiality: £17.25m; final clearly trivial threshold: £ 1.035m).





Group materiality calculated using the same benchmark was £34.558m (performance materiality: £17.279m, clearly trivial threshold: £1.037m).

Audit Approach

Group audit approach

There were some presentational issues with how the component accounts were consolidated into the Group, amendments were made to the primary statements to more accurately present the component account income and expenditure within the Council directorates.

Group component	Planned audit approach	Key points or matters to report
NY Net Limited	●	Nothing to report.
Yorwaste Limited	●	Nothing to report.
NY Highways	●	Additional work was completed on the pension liability, which raised an immaterial difference between the pension liability reported in the group accounts and the figure per the FRS 102 Schedule.

- 
Full audit
 Performance of an audit of the component's financial information prepared for group reporting purposes using component materiality
- 
Audit of balances and/or disclosures
 Performance of an audit of specific balances and/or disclosures included in the component's financial information prepared for group reporting purposes, using component materiality
- 
Specific audit procedures
 Performance of specific audit procedures on the component's financial information
- 
Review procedures
 Review of the component's financial information prepared for group reporting purposes using the component materiality assigned

03

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. On page 16 we 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
- modifications required to our audit report.

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 by carrying out audit work in the following areas:

- accounting estimates affecting 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

The work is complete and we have no matters to bring to your attention.

Significant findings

Valuation of Property, Plant and Equipment (PPE), Investment Properties and Assets Held for Sale

Description of the risk

The financial statements contain material entries on the Balance Sheet as well as material disclosure notes in relation to the Council's holding of PPE, investment properties and assets held for sale.

Although the Council employs a valuation expert to provide information on valuations, there remains a high degree of estimation uncertainty associated with the revaluation of PPE as a result of the significant judgements and number of variables involved. We have therefore identified the revaluation of PPE, investment properties and assets held for sale to be an area of risk

How we addressed this risk

We addressed this risk by:

- considering the Council's arrangements for ensuring that PPE values are reasonable;
- challenging the reasonableness of the valuations provided by the Council's valuer using other sources of data;
- assessing the competence, skills and experience of the valuer and the instructions issued to the valuer; and
- where necessary, performing further audit procedures on individual assets to ensure the basis of valuations is appropriate

Audit conclusion

The work in this area is substantially completed and we have several matters to bring to your attention. Our work performed identified misstatements for property, plant and equipment and infrastructure valuations and these were adjusted for in the final financial statements. Our work also identified misstatements for property, plant and equipment and heritage assets, these were not adjusted for in the final financial statements. Details can be found in Section 6 of this report.

Significant findings

Net defined benefit liability (asset) valuation

Description of the risk

The financial statements contain material pension entries in respect of the retirement benefits. The calculation of these pension figures, both assets and liabilities, can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement.

How we addressed this risk

We addressed this risk by:

- evaluating the Council's arrangements (including relevant controls) for making estimates in relation to pension entries within the financial statements; and
- considering the reasonableness of the actuary's assumptions that underpin the relevant entries made in your financial statements, through the use of an expert commissioned by the National Audit Office.

Audit conclusion

Our work on this area is complete and we have two matters to bring to your attention. Upon completion of our work on the Group, a review of the FRS 102 Schedule for NY Highways highlighted that the Pension Fund liability figure had been recognised per the prior year closing figure, instead of the current year. The final version of the accounts includes an amendment for this.

In addition, the Pension Fund auditor identified a net understatement in the Fund's assets. Details can be found in Section 6 of this report.

Significant findings

Risk of Fraud in Revenue Recognition **Description of the risk**

Based on our initial knowledge and planning discussions we have concluded that we can rebut the presumption of the revenue recognition audit risk for most of the Council’s revenue.
We consider fees, charges and other service income to be areas of significant risk in year one of our audit engagement.

How we addressed this risk

We rebutted the significant risk relating to council tax receipts, business rates, housing rents and government grants because there are limited incentives and opportunities to manipulate the way income is recognised. We still carry out our standard fraud procedures on these areas. We consider other fees and charges to be a significant risk and we evaluated the design and implementation of controls to mitigate the risk of these income streams being recognised in the wrong period. In addition, we undertook a range of substantive procedures including:

- testing income in March, April and May 2024 to ensure it has been recognised in the correct period; and
 - obtained direct confirmation of year-end bank balances and tested the reconciliations.
-

Audit conclusion

The work is complete, and we have no matters to bring to your attention in this respect.

Significant findings

Background and modification of the audit opinion

As we outlined earlier in this report, as a result of the backstop arrangements, we have not been able to complete sufficient audit procedures to enable us to provide an unmodified opinion on the Council's financial statements. As we have determined that the pervasive effects, or potential pervasive effects on the financial statements of the lack of sufficient appropriate assurance are both pervasive and material, we will be issuing a disclaimer of opinion. This means we are expressing no opinion on the financial statements.

Appendix B sets out our draft audit report which explains the basis of our disclaimer of opinion being the introduction of the backstop arrangements which require the Council to publish its audited 2024/25 financial statements by 28 February 2025.

Members will note that the draft audit report does not report on other matters that would usually appear in an unmodified audit report. These include:

- the use of the going concern assumption in the preparation of the financial statements; and
- the consistency of the other information presented with the financial statements.

Although we are disclaiming our audit opinion, auditing standards require us to report matters to you that have come to our attention during the course of our audit, which we include in this section of this report.

Qualitative aspects of the Council's accounting practices

We have reviewed the Council'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 Council's circumstances.

Draft accounts were received from the Council's in September 2024 and were published on the Council website. Several material updates were subsequently made by the Council because the draft accounts received did not include the final valuation figures and there were material errors on the face of the CIES.

Significant matters discussed with management

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

- We discussed the backstop arrangements and the impact of the auditor's report on the financial statements.
- The contents of the draft Annual Governance statement were challenged by an objector and subsequent changes were discussed with and made by management.
- The accounting treatment for both the Whitby and Scarborough harbour undertakings were the subject of

objections to the accounts of the former Scarborough Borough Council. Management agreed to enhance the statement of accounts to reflect statutory financial reporting requirements.

- We discussed with management the impact of local government reorganisation and the impact on the brought forward opening balances. The lack of audited accounts for some of the former district councils has resulted in a material lack of audit assurance over the opening balances of the new Council.
- We discussed with management the reporting implications for the inclusion of draft valuation figures in the draft accounts, which subsequently resulted in material amendments.
- We also discussed the potential impact of the June 2023 High Court ruling in the case of Virgin Media Limited v NTL Pension Trustees, which stated that certain pension scheme rule amendments were invalid without the correct actuarial confirmation. A narrative disclosure has been added to Note 28 to outline the uncertainty of the impact on the 2023/24 accounts.

Significant difficulties during the audit

During the course of the audit there were some significant delays as officers were dealing with multiple auditors in relation to the predecessor councils' accounts and an unusual number of open audit years.

We noted issues around version control of the draft accounts and evidence supporting subsequent changes. We have, however, had the full co-operation of management to try and resolve these issues and deal with the exceptional workload involved.

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.

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. We received three statutory objections:

- two challenged the contents of the Annual Governance Statement; and
- one challenged the accounting arrangements for the Scarborough Harbour undertaking.

While we have not yet issued our conclusions and statements of reasons, we have not identified any matters that should lead to the use of our audit powers as part of our 2023/24 audit.

Internal control conclusions

Internal control conclusions

Overview of engagement

As part of our audit, we obtained an understanding of Council'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 Council's internal controls, we are required to communicate to the Audit Committee 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 Council'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 Council'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 Council'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 the Audit Committee.

The significant deficiencies in the Council'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 Council'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 [will be/ have been] reported to management directly and have been included in this report for your information.

Whether internal control observations merit attention by the Audit Committee 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

Officers were initially unable to provide a detailed log of the changes between the published draft financial statements and the final financial statements.

Potential effects

There is a risk that the final financial statements do not accurately reflect the audited balances.

Recommendation

We recommend that management oversees the changes made to the financial statements and maintains a record of these changes.

Management response

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

The Council did not assess the impact of the change in asset valuation between the valuation date 1st October 2024 and the year end date of 31st March 2024.

Potential effects

There is a risk that the asset valuations are inaccurate due to there being potential movements as a result of changes in any underlying assumptions and market conditions over this period.

Recommendation

We recommend that the Council implements a structured review process to identify any asset valuation movements over the period between the valuation date and the year end.

Management response

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

A combined total of 48 Councillors and Senior Managers had not completed signed declarations of interest at the year end.

Potential effects

There is a risk that the related parties disclosure in the Council's financial statements is incomplete.

Recommendation

All Members and Senior Management should declare their interests on annual basis through a declaration form to ensure that any potential conflicts can be identified and necessary mitigations implemented.

Management response

05

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 [x].

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 October 2023. 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		MIRS	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr Heritage Assets – Revaluations Cr Revaluation Reserve Royal Hall was valued in the asset register as £33,269,162, however the amount insured as at 01 April 2023 is £36,378,181 per the insurance certificate, therefore a difference of £3,109,019.02. Also, Museums pieces & Collections was valued in the asset register as £8,497,374.67, however the insured amount was £8,772,208, therefore a difference of £274,833.33. Total of £3,384k.			3,384			3,384
			3,384			3,384

Summary of misstatements

Unadjusted misstatements

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet		MIRS	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr Net Pension Liability Cr Pension Reserve Dr Movement In Reserves Cr Remeasurement of the net defined liability / asset The Pension Fund Auditor identified that the Pension Fund's investments are understated by £12.8m. We have calculated that the Councils share of this error is 57% and therefore the Council's liability is understated by £7,296k.		7,296	7,296		7,296	7,296
Dr Property, Plant and Equipment Cr Revaluation Reserve Our PPE Valuations testing identified 20 samples whereby there were discrepancies between the value per the Fixed Asset Register and the value per the Valuation Report. This resulted in a total extrapolated net understatement of £6,409k.			6,409			6,409
Aggregate effect of unadjusted misstatements		7,296	17,089		7,296	17,089

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 Audit Committee should be made aware of. We have summarised the misstatements found at audit separately in the first table from those identified by management in the second table.

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet		MIRS	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr Revaluation Reserve					3,043	
Dr Impairment Loss	202					
Cr Property, Plant and Equipment				3,245		
The above relates to several misstatements across our valuation work. The BCIS rates applied in the valuation calculations for several schools was £3,742/m2 as opposed to £2,837/m2 for special schools as at the valuation date, this resulted in an overstatement of assets by £3,225k. Ripon Leisure Centre was initially valued at £8,927k in the asset register but location factor used in the valuation is 1 instead of 0.97 for Harrogate, BCIS rate used was £4,516/m2 as opposed to £2,893/m2 for Sports Centres/Recreational centres, in addition further variances were noted between the fixed asset register and the valuation report. This resulted in a net impact of £20k. Resulting in an overall net impact of £3,245k.						
Dr Depreciation – Infrastructure Assets	42,359					
Cr Property, Plant and Equipment – Accumulated Depreciation				42,359		
Useful lives of infrastructure assets were revised to be in line with CIPFA guidelines upon finalisation of 2022/23 accounts. Infrastructure assets were depreciated over a straight line period of 40 years in the draft accounts. The impact of revision of useful lives increased depreciation charges by £42 million in 2023/24.						
	42,561			45,604	3,043	

Summary of misstatements

Adjusted misstatements - continued

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet		MIRS	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
<p>Dr Long Term Debtors – Loan to subsidiary companies</p> <p>Cr Capital Adjustment Account</p> <p>This is in relation to a correct to treatment of the write down of Long Term Debt for Alpamare.</p>			7,746			7,746
<p>Dr NY Highways Pension Reserve</p> <p>Cr NY Highways Pension Liability</p> <p>Upon review of the FRS 102 Schedule for NY Highways, the Pension Fund Liability figure of £1.900m has been recognised per the prior year closing figure, instead of £0.881m per the current year.</p>				1,019	1,019	
Aggregate effect of adjusted misstatements	42,561		7,746	46,623	4,062	7,746

Summary of misstatements

Adjusted misstatements - continued

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet		MIRS	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr Revaluation Reserve Cr Property, Plant and Equipment Cr Impairment Loss Dr PPE Accumulated Depreciation Cr Depreciation Charges This is due to revised capital charges following the 2022/23 adjustments to Net Book Value and PFI correction and amendments to the valuation of investment properties and PPE upon finalisation of 2023/24 valuation work by the North Yorkshire Council valuer following the issue of the 2023/24 draft statement of accounts.		17,168	8,314	53,597	70,765	
Dr Investment Properties Cr Revaluation and impairment This is due to a client adjustment on the valuation of Investment Properties upon receipt of the final valuation report from the North Yorkshire Council Valuer following the issue of the 2023/24 draft statement of accounts.		6,331	6,331			
Aggregate effect of adjusted misstatements	42,561	31,813	22,391	100,220	74,827	7,746

Summary of misstatements – identified by the Council

Adjusted misstatements - continued

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 Audit Committee should be made aware of.

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet		MIRS	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr Brought Forward Property Plant and Equipment			11,724			
Cr Brought Forward Capital Adjustment Account						47,342
Dr Brought Forward Revaluation Reserve					35,618	
This is due to an amendment to asset valuations following the completion of the 2022/23 audit.						
			11,724		35,618	47,342

Summary of misstatements

Disclosure misstatements

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

- Statement of Accounting Policies – the narrative has been amended and additional disclosures added in line with Code requirements.
- Comprehensive Income and Expenditure Statement – the heading in the Other Comprehensive Income section has been updated.
- Movement in Reserves Note – the narrative has been updated.
- Balance sheet - Pension Liability has been updated to 'Net Pension Liability. Council Dwellings and Community Assets were originally reported on individual lines, these have now been aggregated and included within the Property, Plant and Equipment line. The prior year heading has been updated from 31 March 23 to 1 April 24.
- Cashflow Statement – 'Grants received for investment purposes' has been amended to 'capital grants credited to the (surplus)/deficit on the provision of services'. 'Pension Liability' has been amended to 'Movement in Pension Liability'. Proceeds from the sale of property and other assets has been amended from £2,889k to £8,499k in line with the figure per the Reserves disclosure.
- Accounting Standards that have been issued but not yet adopted – disclosure has been updated to reference the impact of the adoption of IFRS 16 which has been issued but not yet adopted.
- Critical Judgements in applying Accounting Policies – narrative has been updated in the disclosure.
- Assumptions Made About Future and Other Major Sources of Uncertainty – narrative has been updated in the disclosure.
- Note 10 Pension Arrangements – disclosure has been updated to include the detail of what the remeasurement of the net defined benefit liability, reconciliation of present value of the scheme liabilities and reconciliation of the fair value of the scheme assets is comprised of per Code requirements. A note has been added on p.64 of the accounts highlighting where to find further information on the sensitivity analysis.
- Note 15 Pooled Funds – narrative has been updated in the disclosure.
- Note 18 Movement in Property, Plant and Equipment – narrative has been updated in the disclosure.
- Note 22 Capital Expenditure, Capital Financing and the Capital Financing Requirement – narrative has been updated in the disclosure.
- Note 25 Investment Property – narrative has been updated in the disclosure.
- Note 33 Provisions – narrative has been updated in the disclosure.
- Note 34 Usable Reserves – narrative has been updated in the disclosure.
- Note 35 Unusable Reserves – narrative has been updated in the disclosure.
- Note 37 Events after the Balance Sheet Date – narrative has been updated in the disclosure.
- Note 40 Financial Instruments – Fair Values of Assets and Liabilities has been updated to include £32k for Veritau Limited. Narrative has been updated in the disclosure.
- Housing Revenue Account – this has been amended from a disclosure note to sit alongside the single entity financial statements with equal prominence. (Surplus) / Deficit for year on the HRA Income and Expenditure Statement per the Movement on the HRA Statement has been amended from £11,671k to £6,959k in line with the HRA Income and Expenditure Statement.
- Additional notes has been included for Whitby and Scarborough Harbour revenue accounts.

Summary of misstatements

Disclosure misstatements (continued)

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

- Note 9 Grant Income initially included a total of £12,590k for the Towns Fund within the Rural England Prosperity grant, this has now been split out and presented separately.
- Note 10 Pension Arrangements initially showed a defined benefit obligation of 2,390..
- Note 11 Audit Fees has been amended to include a description for the 20-21 scale fees, housing benefit fees, transport grant and teacher's pension.
- Note 16 Members Allowances was not initially included in the draft financial statements. In addition, a variance of was identified between the note and the payroll records
- Note 17 Directors Remuneration was amended to include the names of the individuals with a salary above £150k per annum.
- Note 32 Short Term Debtors, Provision for Collection Fund totalling £17,821k was incorrectly classified as general debtors instead of expected credit loss, this has been amended in the final accounts.
- Note 33 Short Term Creditors, 5,592k relating to Business Rates Pool creditors has been reclassified from General Creditors to Other Local Authorities,.
- Note 39 (b) Interest Revenue per the draft financial statements was £40,059k, this was not in line with the total of £39,947k per the Comprehensive Income and Expenditure Statement (CIES), this has been revised to £39,947k. Interest expense per Note 39 was £10,846, this has been updated to £29,642 in line with the CIES.
- Note 38 Events after the balance sheet date, additional event disclosed.
- Infrastructure AP
- Collection Fund Statement – disclosure has been added to show the calculation of the council tax base and the number of chargeable dwellings in each valuation band.
- Group Movement in Reserves – amended to be consistent.
- Group Balance Sheet - Community Assets and Surplus Assets have been removed and aggregated into the Property, Plant and Equipment line.
- Group Provisions – narrative updated.
- There were also a number of other trivial disclosure amendments

We identified the following disclosure misstatements during our audit that have not been corrected by management:

- Note 14 Related Parties – a large number of individuals did not have a submitted return, and five individuals did not disclose all interests recorded by Companies House.
- Note 40 Financial Instruments – there are some sundry creditors and debtors which have not been classified as financial instruments but should be, the information to quantify this is not available.
- Note 10 Pension Arrangements – some additional disclosure information relating to the asset ceiling restriction has not been included.

06

Value for money arrangements

Value for money arrangements

Our approach

We are required to consider whether the Council 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 Council plans and manages its resources to ensure it can continue to deliver its services;
- **Governance** - How the Council ensures that it makes informed decisions and properly manages its risks; and
- **Improving economy, efficiency and effectiveness** - How the Council 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 Council 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.

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 Council arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. We issued a draft version of Auditor's Annual Report in November 2024 and will finalise the Report following the issue of our audit opinion.

Status of our work

We have completed our work in respect of the Council'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 Council's arrangements was provided in the Auditor's Annual Report which was issued in November 2024.

Other recommendations

We have made two other recommendations as part of our value for money commentary.

Recommendation for improvement	Management Response
Annual statement of accounts drafting process The Financial statements are a key accountability document following the 2023/24 process the Council needs to needs to consider whether it has sufficient capacity and capability in delivering a set of statements in line with the statutory timetable.	
Member complaints process Members of the Standards and Governance Committee and full Council should receive an annual report setting out the nature of complaints received, the outcomes and the timescales taken in respect of them. Key aspects of the process and broad outcomes should be reported in the Annual Governance Statement.	

Appendices

A: Draft management representation letter

B: Draft audit report

C: Confirmation of our independence

D: Other communications

Appendix A: Draft management representation letter

Forvis Mazars
5th Floor
3 Wellington Place
Leeds
LS1 4AP

[Date]

Dear Mark,

North Yorkshire Council - Audit for Year Ended 31 March 2024

This representation letter is provided in connection with your audit of the financial statements of North Yorkshire Council the Council for the year ended 31 March 2024. I note that you intend to intend to issue a disclaimer of opinion in respect of your audit. I understand I am still required to provide the representations set out in this letter so you can complete your audit in accordance with relevant auditing standards.

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 financial statements 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 financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and

Appendix A: Draft management representation letter

- unrestricted access to individuals within the Council you determined it was necessary to contact in order to obtain audit evidence.

I confirm as 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 Council 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 International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Council's financial position, financial performance and cash flows.

Accounting estimates, including those measured at current or fair value

I confirm that the methods, significant assumptions and the data used by the Council and Group in making the accounting estimates, including those measured at current and/or fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

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 Council and Group 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 the Code, as amended by the 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 Council and Group 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 s151 Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Council and Group 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 Council and Group'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 Council and Group's related parties and all related party relationships and transactions of which I am aware.

Appendix A: Draft management representation letter

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 and intangible assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Charges on assets

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

Future commitments

The Council and Group 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.

Service Concession Arrangements

I am not aware of any material contract variations, payment deductions or additional service charges in 2023/24 in relation to the Council and Group's service concession arrangements that you have not been made aware of.

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 financial statements fairly reflects that assessment.

Covid-19

I confirm that I have carried out an assessment of the potential impact of the Covid-19 Virus pandemic on the business, including the impact of mitigation measures and uncertainties, and that the financial statements fairly reflects that assessment.

Appendix A: Draft management representation letter

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 financial statements fairly reflects that assessment.

Going concern

To the best of my knowledge there is nothing to indicate that the Council and Group 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 Council and Group’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 Council and Group’s financial and operating performance over the period covered by the financial statements.

Unadjusted misstatements

We confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an Appendix.

Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (value for money arrangements)

I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on value for money arrangements.

Yours faithfully,

S151 officer

Appendix B: Draft audit report – Subject to moderation

Independent auditor's report to the Members of North Yorkshire Council

Report on the audit of the financial statements

Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of North Yorkshire Council ('the Council') and its subsidiaries ('the Group') for the year ended 31 March 2024, which comprise the Council and Group significant accounting policies, the Council and Group Comprehensive Income and Expenditure Statement, the Council and Group Movement in Reserves Statement, the Council and Group Balance Sheet, the Council and Group Cash Flow Statement, notes to the financial statements, the Housing Revenue Account and Collection Fund statements. 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.

We do not express an opinion on the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations require the Council to publish its Accountability Statements, which include the financial statements and auditor's opinion for the year ended 31 March 2024, by 28 February 2025 ('the backstop date').

The backstop date introduced by the Amendment Regulations has impeded our ability to obtain sufficient appropriate evidence upon which to form an opinion on the financial statements as there has been insufficient time to perform all necessary audit procedures.

Responsibilities of the Corporate Director - Resources for the financial statements

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

The Corporate Director - Resources 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 Council will continue in operational existence for the foreseeable future. The Corporate Director - Resources is responsible for assessing each year whether or not it is appropriate for the Council and Group 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 responsibility is to conduct an audit of the Council and Group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. In reaching this judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

Appendix B: Draft audit report – Subject to moderation

We are independent of the Council and Group 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.

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

Report on the Council'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 view we are not satisfied that the Council 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 Council

The Council 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 Council 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 Council'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.

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.

We are also required by the Code of Audit Practice, to give an opinion on whether other information published together with the audited financial statements, is consistent with the financial statements. Because of the matter described in the Basis for Disclaimer of Opinion section we do not express an opinion on the financial statements. We also do not express an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

Appendix B: Draft audit report – Subject to moderation

Use of the audit report

This report is made solely to the Members of North Yorkshire Council, 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 Council 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 Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the 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 Council's Whole of Government Accounts consolidation pack; and
- to determine the statutory objections we received during the audit.

MAY NEED TO REFER TO STATUTORY OBJECTIONS IF PSAA DON'T RESPOND BEFORE WE ISSUE THIS

[Signature]

Mark Kirkham, Partner

For and on behalf of Forvis Mazars LLP

5th Floor
3 Wellington Place
Leeds
LS1 4AP

[Date]

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 Corporate Director - Resources that the Council 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 the Audit Committee, 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

Forvis Mazars

Mark Kirkham

Partner

Tel: +0113 294 2000

mark.kirkham@mazars.com

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: GB 839 8356 73

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