



Broads Authority

Auditor's Annual Report

31 March 2024

Issued on 9 April 2025



Risk, Audit and Governance Committee
Broads Authority
Yare House 62-64 Thorpe Road
Norwich
NR1 1RY

9 April 2025

Dear Risk, Audit and Governance Committee Members

2023/24 Auditor's Annual Report

We are pleased to attach our Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for Broads Authority. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2023/24.

This report is intended to draw to the attention of the Authority any relevant issues arising from our work. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you at the Risk, Audit and Governance Committee meeting on 22 July 2025.

Yours faithfully

David Riglar
Partner
For and on behalf of Ernst & Young LLP
Encl

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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website ([Statement of responsibilities of auditors and audited bodies \(from 2023/24 audits\) - PSAA](#)). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Risk, Audit and Governance Committee and management of Broads Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to Risk, Audit and Governance Committee and management of Broads Authority those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than Risk, Audit and Governance Committee and management of Broads Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary



Executive Summary

Purpose

The purpose of the auditor's annual report is to bring together all of the auditor's work over the year and the value for money commentary, including confirmation of the opinion given on the financial statements; and, by exception, reference to any reporting by the auditor using their powers under the Local Audit and Accountability Act 2014. In doing so, we comply with the requirements of the 2024 Code of Audit Practice (the Code) published in November 2024 and the supporting guidance of the National Audit Office (NAO) published within their Auditor Guidance Note 3 (AGN 03). This commentary aims to draw to the attention of the Authority and the wider public relevant issues from our work including recommendations arising in the current year and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

The 2024 Code paragraph 4.10 has suspended the requirement to issue an auditor's annual report by 30 November. It states that auditors may exercise judgement to determine when to issue their annual report including their commentary on arrangements to secure value for money.

Responsibilities of the appointed auditor

We have undertaken our 2023/24 audit work in accordance with the Audit Plan that we issued to the 12 March 2024 Risk, Audit and Governance Committee meeting. We have complied with the NAO's 2024 Code of Audit Practice, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- the 2023/24 financial statements;
- conclusions relation to going concern; and
- the consistency of other information published with the financial statements, including the narrative statement.

Reporting by exception:

- if the annual governance statement does not comply with relevant guidance or is not consistent with our understanding of the Authority;
- any significant matters or written recommendations that are in the public interest; and
- if we identify a significant weakness in the Authority's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Responsibilities of the Authority

The Authority is responsible for preparing and publishing its financial statements, narrative statement and annual governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Executive Summary (continued)

2023/24 Conclusions

Financial statements

Disclaimed:

The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) which came into force on 30 September 2024 required any outstanding accountability statements for years ended 31 March 2015 to 31 March 2023 to be approved not later than 13 December 2024 and the accountability statements for the year ended 31 March 2024 to be approved not later than 28 February 2025 ('the backstop date').

The audit of the financial statements for the year ended 31 March 2023 for the Broads Authority was not completed for the reasons set out in our disclaimer of opinion on those financial statements dated 29 November 2024.

Our audit work in the current year was focused on transactions in the year and the current year balance sheet.

As a result of the disclaimer of opinion in the prior year and the scope of our audit work which was impacted by the backstop date, we do not have sufficient appropriate audit evidence over the following:

- in the Authority balance sheet and accompanying notes: the opening balances, closing reserves position and the valuation of property assets held at valuation included in 'land and buildings' that were not revalued in year.
- in the Authority comprehensive income and expenditure account and accompanying notes: comparatives and income and expenditure transactions that are impacted by the opening balances shown in the prior year balance sheet.
- in the Authority cash flow statement and accompanying notes: opening balances, comparatives and in-year cash flow movements that are calculated as a movement between the opening and closing balance sheet.

Therefore, we are disclaiming our opinion on the financial statements.

Going concern

As we are issuing a disclaimer of opinion, we do not provide a conclusion on whether the Director of Finance's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Consistency of the other information published with the financial statements

Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.


Value for money (VFM)

We had no matters to report by exception on the Authority's VFM arrangements. We have included our VFM commentary in Section 03.

Executive Summary (continued)

2023/24 Conclusions (continued)

Consistency of the annual governance statement	We were satisfied that the annual governance statement was consistent with our understanding of the Authority.
Public interest report and other auditor powers	We had no reason to use our auditor powers.
Whole of Government Accounts	We have performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission as the Authority. The Authority is deemed a minor body and is therefore not required to make a Whole of Government Accounts (WGA) submission
Certificate	We issued our certificate with our audit report on 14 February 2025.



Executive Summary (continued)

Value for Money

Scope

Auditors are required to be satisfied that Broads Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements. In addition, auditors provide an annual commentary on arrangements published as part of the Auditor's Annual Report.

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Authority committee reports;
- meetings with the Risk, Audit and Governance Committee and Management;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Authority Management and the finance team.

Executive Summary (continued)

Value for Money (continued)

Reporting

Our commentary for 2023/24 is set in section 03. The commentary on these pages summarises our understanding of the arrangements at the Authority based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2023/24. We include within the VFM commentary below the associated recommendation we have agreed with the Authority.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2022/23 Interim Value for Money Report and have been updated for 2023/24.

In accordance with the NAO's 2024 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures and whether we have concluded that there is a significant weakness in the body's arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Authority plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
Governance: How the Authority ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weakness identified
Improving economy, efficiency and effectiveness: How the Authority uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified



Executive Summary (continued)

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Authority, and its members and senior management and its affiliates, including all services provided by us and our network to the Authority, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2023 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2024

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2024:

[EY UK 2024 Transparency Report | EY - UK](#)



02 Audit of the financial statements

Audit of the financial statements

Key findings

The Statement of Accounts is an important tool for the Authority to show how it has used public money and how it can demonstrate its financial management and financial health.

On 14 February 2025, we issued a disclaimed audit opinion on the financial statements. This is set out in the Executive Summary above.

We reported our audit scope, risks identified and detailed findings to the 11 February 2025 Risk, Audit and Governance Committee meeting in our Audit Results Report. We outline below the key issues identified as part of our audit in relation to the significant risk areas. The findings for each of the Statement of Account areas are set out in the Audit Results Report in Appendix A. We reported two areas for improvement in the control environment in the Audit Results Report.

Significant risk	Conclusion
Misstatements due to fraud or error – Management override of controls	<p>We identified the following matter in relation to our management override of controls procedures performed.</p> <ul style="list-style-type: none">• The Director of Finance (S17 Officer) posted journals directly to the general ledger in 2022/23 (14 journals) and 2023/24 (17 journals). We extended our testing to include the 17 journals and have not identified any accounting issues arising. We would not normally expect the Director of Finance to post journals in the system. We note that these journals were approved by a member of staff more junior to the Director of Finance. Given the relatively small size of the Authority we understand that sometimes this may have been required. However, we would recommend that in the future the Director of Finance does not post journals directly to the general ledger. <p>We did not identify any other material weaknesses in controls or evidence of material management override.</p> <p>We did not identify any instances of inappropriate judgements being applied.</p> <p>We did not identify any other transactions during our audit which appeared unusual or outside the Authority's normal course of business.</p> <p>Our journal entry testing did not identify any instances of inappropriate posting of journals.</p>
Misstatements due to fraud or error – Inappropriate capitalisation of revenue expenditure	<p>We identified the following matter in relation to our capital addition procedures performed.</p> <ul style="list-style-type: none">• We noted that the Mutford Lock donated asset of £84k was recorded for the first time in 2023/24 but our audit procedures identified that the asset transferred to the Authority in 2021. We also identified a Property, Plant and Equipment addition of £47k in 2023/24 that related to Mutford Lock which was recorded in 2023/24 but was purchased in 2021. These two transactions should have been recognised in an earlier period. Given the value of £131k was not material we deemed that no prior period adjustment was required. <p>Our testing of year-end journals did not identify any movements from expenditure to capital outside of the normal course of business.</p>



03

Value for Money Commentary

Value for Money Commentary

Financial Sustainability: How the Authority plans and manages its resources to ensure it can continue to deliver its services

No significant weakness identified

The Authority is required to have arrangements in place to ensure proper resource management and the primary responsibility for these arrangements and reporting on the design and operation of these arrangements via the annual governance statement, rests with management. In accordance with the NAO's Code of Audit Practice, the focus of our work should be on the arrangements that the Authority is expected to have in place during the year ended 31 March 2024. Our risk assessment did not identify any risk of significant weakness in arrangements in respect of securing financial sustainability.

The Authority produces an annual budget and an update to the financial strategy at the start of each financial year. The 2023/24 budget and financial strategy to 2025/26 was approved by the Board on 20 January 2023.

Income and expenditure is monitored on a monthly basis with budget holders providing updates on any variances. Tolls income is carefully monitored against profile so that drops in demand can be quickly identified and expenditure plans can be reprioritised. Financial position updates are taken to each Risk, Audit and Governance Committee and Broads Authority Committee which provides members with the latest financial information to inform decision making.

The outturn position for 2023/24 showed a deficit of £0.081 million (£0.055 million surplus National Park and £0.136 million deficit Navigation). As at 31st March 2024, the Authority had a total of £3.503 million in the consolidated earmarked reserves (£2.047 million National Park and £1.456 million Navigation). In addition, The General Account Fund balance was £0.744 million, and the Navigation Account Fund Balance was £0.477 million.

Conclusion: Based on the work performed, the Authority had proper arrangements in place in 2023/24 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

Value for Money Commentary (continued)

Governance: How the Authority ensures that it makes informed decisions and properly manages its risks

No significant weakness identified

The Authority is required to have arrangements in place to ensure economy, efficiency and effectiveness, and the responsibility for these arrangements and reporting on the design and operation of these arrangements via the annual governance statement, rests with management. In accordance with the NAO's Code, the focus of our work should be on the arrangements that the Authority is expected to have in place during the year ended 31 March 2024. Our risk assessment did not identify any risk of significant weakness in arrangements in respect to Governance.

The Authority produces an annual budget alongside an update to the financial strategy at the start of each financial year. The budget is produced by the Director of Finance based on information from relevant budget holders. The Medium Term Financial Strategy includes prudent assumptions regarding cost inflation, future funding uncertainties and service demand pressures. These assumptions are reviewed by the management team and recommendations around the level of charges required are formed. The reports are then taken to the full Authority meeting for approval.

Authority risks are monitored through the Corporate and Directorate registers. The Corporate Risk Register is reviewed by the Management Team, following a review of the Directorate Risk Registers prior to each Risk, Audit and Governance Committee with the Corporate Risk Register being reported to each Risk, Audit and Governance Committee meeting.

The Head of Internal Audit provides an annual opinion on the effectiveness of controls and highlights if any areas require improvement. For 2023/24, a 'reasonable assurance' opinion was issued by Internal Audit.

Conclusion: Based on the work performed, the Authority had proper arrangements in place in 2023/24 to enable it to make informed decisions and properly manage its risks.

Value for Money Commentary (continued)

Improving economy, efficiency and effectiveness: How the Authority uses information about its costs and performance to improve the way it manages and delivers its services

No significant weakness identified

The Authority is required to have arrangements in place to ensure economy, efficiency and effectiveness, and the responsibility for these arrangements and reporting on the design and operation of these arrangements via the annual governance statement, rests with management. In accordance with the NAO's Code, the focus of our work should be on the arrangements that the Authority is expected to have in place during the year ended 31 March 2024. Our risk assessment did not identify any risk of significant weakness in arrangements in respect to Improving economy, efficiency and effectiveness.

The 'Broads Plan' is the overarching management plan for the Broads executive area as a whole, produced by the Broads Authority as a partnership plan.

An Annual Business Plan integrating strategic priorities based on the 'Broads Plan' is agreed each year by the full Authority. Performance reporting is maintained against the identified strategic priorities, with regular reporting on performance and finances taken to the full Authority throughout the year to continuously monitor performance.

The Authority maintains a partnership register which is reviewed annually to ensure it remains appropriate and up to date. The most significant partnerships are those in respect of external funding where partnership agreements are in place. Performance for these agreements is assessed against agreed expectations and modified where required.

Conclusion: Based on the work performed, the Authority had proper arrangements in place in 2023/24 to enable it to use information about its costs and performance to improve the way it manages and delivers services.



04 Appendices

Appendix A – VFM Summary of arrangements

Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the year 2023/24.

Reporting Sub-Criteria	Findings
How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Authority produces an annual budget and an update to the financial strategy at the start of each financial year. Significant financial pressures to the Authority, based on the nature of income and expenditure, are salary increases and the number of boats within the system that will require a toll. The Authority include an element of prudence within the estimates in the annual budget setting for salary increases and monitor boat numbers through discussion with boat yards and review of annual toll payments.
How the body plans to bridge its funding gaps and identifies achievable savings	Funding gaps are considered as part of the budget setting process. In the short term funding gaps are balanced through the use of reserves, whilst appropriate savings plans and further external funding opportunities are investigated as a more long term solution. The budgeted savings are baked into the annual budget, and the tracking of delivery is reviewed against the budget monitoring reports. Management have no significant concerns over the savings plan. We note the medium term financial plan does include ongoing receipt of DEFRA grant income at a flat rate, which is still subject to some uncertainty whilst the outcome of a new settlement is awaited. A reserves policy has been put in place to ensure that minimum levels are adequate to manage future uncertainty until the end of 2026/27.
How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The budget is monitored with respect to minimum levels of reserves as set by the Director of Finance, which is based on net expenditure totals. This ensures that delivery of services can be maintained into the future. The annual budget is produced on a zero base to ensure it is line with strategic priorities, assuming no rollover of previous budgets. Spending is split between essential and desirable expenditure in line with key priorities of the Authority.

Appendix A – VFM Summary of arrangements (continued)

Financial Sustainability (continued)

We set out below the arrangements for the financial sustainability criteria covering the year 2023/24.

Reporting Sub-Criteria	Findings
How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system	Workforce planning is considered by the Directors as part of the budget setting process. Capital expenditure is funded via revenue or the earmarked reserves, dependent on the capital programme strategy. This is considered at the same time as looking at the forecast future year replacements to consider the adequacy of earmarked reserves levels and contributions. The financial plan is taken to the Broads Authority at the same time as a strategic direction update which sets priorities for the financial year. The outturn position for 2023/24 was a deficit of £0.081 million (£0.055 million surplus National Park and £0.136 million deficit Navigation). As at 31st March 2024, the authority has a total of £3.503 million in the consolidated earmarked reserves (£2.047 million National Park and £1.456 million Navigation). In addition, The General Account Fund balance was £0.744 million, and the Navigation Account Fund Balance was £0.477 million. This was adequate to absorb the adverse variance in 2023/24.
How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans	Income and expenditure is monitored on a monthly basis with budget holders providing updates on any variances. Tolls income is carefully monitored against profile so that drops in demand can be quickly identified and expenditure plans can be reprioritised. Financial position updates are taken to each Risk, Audit and Governance Committee and Broads Authority Committee which provides members with the latest financial information to inform decision making. Risk management is imbedded within the Authority's financial planning arrangements. The Medium Term Financial Strategy includes prudent assumptions regarding cost inflation, future funding uncertainties and service demand pressures. These assumptions are reviewed by the management team and subsequently approved by Members. Regular budget monitoring reports are then taken to the Risk, Audit and Governance Committee throughout the year. Any unplanned budget issues identified are discussed and appropriate action is taken to address the issue. A reserves policy is also in place to ensure that the minimum agreed reserve levels are adequate to manage future uncertainty until the end of 2026/27. This supports financial resilience for the Authority over the medium term.

Appendix A – VFM Summary of arrangements (continued)

Governance

We set out below the arrangements for the governance criteria covering the year 2023/24.

Reporting Sub-Criteria	Findings
How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	Risks are monitored through the Corporate and Directorate registers. The Corporate Risk Register is reviewed by the Management Team, following a review of the Directorate Risk Registers prior to each Risk, Audit and Governance Committee with the Corporate Risk Register being reported to each Risk, Audit and Governance Committee meeting. Internal Audit's plan is carried out through a risk-based approach to help determine which service areas should be reviewed. Key controls and corporate governance are always reviewed annually, with IT audits on specific areas every two years, in line with the Internal Audit strategy. The Head of Internal Audit provides an annual opinion on the effectiveness of controls and highlights if any areas require improvement. For 2023/24, a 'reasonable assurance' opinion was issued by Internal Audit.
How the body approaches and carries out its annual budget setting process	The Authority produces an annual budget alongside an update to the financial strategy at the start of each financial year. The budget is produced by the Director of Finance based on information from relevant budget holders. The budget is prepared on a zero-budget basis which does not roll over any assumptions from the previous years' budgets. The Medium Term Financial Strategy includes prudent assumptions regarding cost inflation, future funding uncertainties and service demand pressures. These assumptions are reviewed by the management team and recommendations around the level of charges required are formed. The reports are then taken to the full Authority meeting for approval.
How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed	Monthly monitoring of income and expenditure is performed, with explanations for variances obtained from relevant budget holders. These are followed up at monthly meetings with the Director of Finance to ensure corrective action has been taken where required, or where savings can be re-distributed elsewhere within the Authority to relieve financial pressures. Budget monitoring is lead through the finance system, and Internal Audit include Budgetary Control within their scope of work for the year. This is included within the internal audit report of 'Key Controls and Assurance Framework' which resulted in a reasonable assurance for 2023/24. The Director of Finance was responsible for the preparation of the Statement of Accounts. The accounts and its disclosures were produced in accordance with the CIPFA code and published in compliance with the relevant legislation. The Risk, Audit and Governance Committee then approved the Statement of Accounts.

Appendix A – VFM Summary of arrangements (continued)

Governance (continued)

We set out below the arrangements for the governance criteria covering the year 2023/24.

Reporting Sub-Criteria	Findings
How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee	Decisions are made in line with the delegated powers, budgetary provision, strategic priorities and the wider Broads Plan. Decisions made by the membership are supported by Committee reports and openly debated at Committee. Planning delegated decisions are published and expenditure is disclosed for transparency regulations. Risk, Audit and Governance Committee terms and reference are guided by CIPFA's guidelines. All members are provided annual training in relation to their responsibilities with the Statement of Accounts.
How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)	<p>The 'Code of Conduct for Employees' and the 'Code of Conduct for Members and Complaints Procedure' sets out regulatory requirements and behaviour expectations. This also provides guidance on accepting gifts and hospitality.</p> <p>There are terms of reference for each Committee setting out responsibilities. Members interests are recorded and maintained within a formal register and any conflicts of interest must be declared at the start of each meeting so that the member does not participate in decision making for any item for which they have a conflict of interest. The Monitoring Officer is available to provide advice to members on meeting the appropriate requirements.</p>

Appendix A – VFM Summary of arrangements (continued)

Improving economy, efficiency and effectiveness

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2023/24.

Reporting Sub-Criteria	Findings
How financial and performance information has been used to assess performance to identify areas for improvement	Financial outturn is compared against budget to identify areas of improvement and potential saving or service improvement. Directors are responsible for raising improvement areas where they are then investigated and discussed with the Director of Finance. Performance is assessed against progress made towards the Broads Plan, Strategic Priorities and the Budget with regular updates being provided to the Authority. Any areas tracking below target will be investigated further to identify improvements. The Authority also uses various other sources of information to identify areas for improvement, including internal and external audit findings and recommendations.
How the body evaluates the services it provides to assess performance and identify areas for improvement	The 'Broads Plan' is the overarching management plan for the Broads executive area as a whole, produced by the Broads Authority as a partnership plan. Strategic priorities are aligned to the plan, and this is reinforced through the Business Plan. The strategies developed reinforce the day-to-day delivery and these are reviewed on a regular basis by the Board and improvements identified.
How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve	The Authority maintains a partnership register which is reviewed annually to ensure it remains appropriate and up to date. The most significant partnerships are those in respect of external funding where partnership agreements are in place. Performance for these agreements is assessed against agreed expectations and modified where required.
How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits	The Authority has 'Financial Regulations', 'Standing Orders Relating to Contracts' and a 'Procurement Strategy' that follow the relevant legislation and are updated regularly. All tenders are reviewed by the Director of Finance to ensure the procurement meets the required standard. Contract templates build in monitoring throughout the contract against key performance indicators to ensure the contract is delivering as expected.

Appendix B – Summary of recommendations

Recommendations

The table below sets out the recommendations arising from the financial statements covered in this report for the 2023/24 year.

All recommendations have been agreed by management.

Issue	Recommendation	Management response
The Director of Finance (S17 Officer) posted journals directly to the general ledger in 2022/23 (14 journals) and 2023/24 (17 journals). We extended our testing to include the 17 journals and have not identified any accounting issues arising. We would not normally expect the Director of Finance to post journals in the system. We note that these journals were approved by a member of staff more junior to the Director of Finance. Given the relatively small size of the Authority we understand that sometimes this may have been required.	We recommend that in the future the Director of Finance does not post journals directly to the general ledger.	
The Authority made several manual adjustments to the Statement of Accounts following the closure of the General Ledger. This resulted in differences between the data we were utilising in the audit and the statement of accounts.	We recommend that the Authority ensure all general ledger postings are finalised before the publication of the draft Statement of Accounts in future periods.	

Appendix C – Audit Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

As set out in our Audit Plan the agreed fee presented was based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our financial statements opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Authority; and
- ▶ The Authority has an effective control environment
- ▶ The Authority complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the Authority should have regard to paragraphs 26 - 28 of the Statement of Responsibilities.

If any of the above assumptions prove to be unfounded, we seek a variation to the agreed fee. Details of our proposed scale fee variations for the audit of the Authority are set out in the fee analysis on this page.

	Actual Fee	Planned fee	Prior Year
	£'s	£'s	£'s
Total Fee - Scale Fee for Code Work	67,107	67,107	22,736
Scale Fee Variation (Note 1 & 2)	£11,500 - £15,500 (Note 2)	-	Note 1
Central Disclaimer Consultations	TBC		
Total fees	TBC	67,107	TBC

All fees exclude VAT

Notes:

- 1) PSAA Ltd is responsible for the determination of the final audit fee in respect of 2022/23. In doing so, PSAA Ltd will apply the principles that where auditors have worked in good faith to meet the requirements of the Code of Audit Practice in place at the time the work was conducted (and have reported on work that is no longer required), then they are due the appropriate fee for the work done, including where their procedures were necessary to conclude the audit by the legislatively imposed backstop date by way of a modified or disclaimed opinion and the body is due to pay the applicable fee.
- 2) The scale fee may be impacted by a range of other factors which will result in additional work. The areas where additional audit procedures were performed are:
 - Revisions to ISA (UK) 315 = £4,000
 - IAS 19 asset ceiling calculations = £1,500 - £2,500
 - Director of Finance journal postings = £1,000 - £2,000
 - Manual adjustments to the Statement of Accounts = £1,500 - £2,500
 - Other audit findings and adjustments = £3,500 - £4,500

Once we have been informed of the 2023/24 scale fee variation process from the PSAA, we will determine the scale fee variations required. This will be discussed with Management and then submitted in line with the PSAA Ltd process. Any scale fee variation is determined by PSAA Ltd.

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Ernst & Young LLP

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UKC-024050 (UK) 07/22. Creative UK.

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