

Risk, Audit and Governance Committee

25 November 2025

Agenda item number 7

External Audit

Report by Director of Resources

Summary

This report appends Ernst & Young LLP (EY) Auditors Annual report and Audit Results report for the year ended 31 March 2025

Recommendation

To note:

- i. The Auditor's Annual Report for 2024/25;
 - ii. The Audit Results Report for 2024/25; and
 - iii. That the letter of representation in connection with the Audit of the Financial Statements for 2024/25 be signed by the Director of Resources and the Chair of the Audit and Risk Committee.
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1. Introduction

- 1.1. This report covers two items; the auditor's Annual Report for 2024/25 and the Audit Results report for 2024/25
- 1.2. David Riglar, Partner from EY will be in attendance to present this item and answer any questions.

2. Auditors Annual Report for 2024/25

- 2.1. EY are required to issue their Annual Report by 30 November of each year, and this can be found in appendix 1. The report covers audit progress and its assessment of the Authority's value for money arrangements.
- 2.2. Although the report provides a summary of the audit further details can be found in appendix 2.
- 2.3. The assessment on value for money is split into three sections; financial sustainability, governance and improving economy, efficiency and effectiveness. Details of this can be found on pages 16 to 24 in appendix 1.

3. Audit Results Report for 2024/25

- 3.1. The external audit for the Broads Authority 2024/25 Statement of Accounts was undertaken between July and November 2025 and the Audit Results by EY for 2024/25 is at Appendix 2 to this report.
- 3.2. Section 2 (pages 10 to 14) provides an update on the areas of key risks identified in the audit plan received by this committee in July.
- 3.3. Section 4 (page 18 of appendix 2) provides details of the audit report. At the time of writing EY are considering the form of audit opinion to be issued. Members will be aware that following the backstop provisions that 2023/24 Statement of Accounts were issued with a disclaimed opinion. Appendix A on page 30 provides a timeline for how EY is looking to rebuild assurance. Appendix B on page 31 provides details on areas of assurances.
- 3.4. Sections 5 and 6 (page 20 to 23) provides details of the audit differences and their assessment of the control environment.
- 3.5. Appendix 3 to this report is the draft Letter of Representation in connection with the audit of the Financial Statements for 2024/25. It is presented for consideration and approval by the Committee to be signed and sent to the External Auditors.

4. Financial Implications

- 4.1. Appendix 2 page 28 sets out the fees due for 2024/25. Note 2 provides an explanation around the additional scale fee EY proposes to submit.

Author: Emma Krelle

Date of report: 10 November 2025

Background papers: Statement of Accounts 2024/25

[Broads Plan](#) strategic objectives: All

Appendix 1 – [Auditor's Annual Report \(including Value For Money commentary\) 2024/25](#)

Appendix 2 - [Broads Authority Audit Results 2024/25](#)

Appendix 3 - [Letter of Representation 2024/25](#)

Broads Authority

Auditor's Annual Report
Year ended 31 March 2025

11 November 2025



The better the question. The better the answer. The better the world works.



Shape the future
with confidence



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

11 November 2025

Dear Risk, Audit and Governance Committee Members,

2024/25 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 the 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 2024/25.

This report is intended to draw to the attention of the Broads Authority any relevant issues arising from our work up to the date of issuing the report. 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 25 November 2025.

Yours faithfully

David Riglar

Partner

For and on behalf of Ernst & Young LLP

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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 (<https://www.psa.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>)

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 the Broads Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Risk, Audit and Governance Committee and management of the 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 the 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 Auditor's Annual Report summarises the year's audit work, including value for money commentary and confirmation of the financial statement opinion. It also references any use by the auditor of their additional powers and duties under the Local Audit and Accountability Act 2014. In line with the NAO Code of Audit Practice 2024 ("the 2024 Code") and Auditor Guidance Note 03 (AGN 03), this report provides an overview to Broads Authority and the public, detailing current recommendations and a review of prior years' actions, including our assessment of whether they have been satisfactorily implemented.

Auditors must issue their draft annual report to those charged with governance by 30 November each year, reflecting the audit position and value for money assessment at that time, even if the 2024/25 audit is ongoing.

Responsibilities of the appointed auditor

We have undertaken our 2024/25 audit work in accordance with the Audit Plan that we issued presented at the 23 July 2025 Risk, Audit and Governance Committee. We have complied with the 2024 Code, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- Whether the financial statements give a true and fair view of the financial position of the Authority and its expenditure and income for the year; and
- Have been prepared properly in accordance with the relevant accounting and reporting framework.

Reporting by exception:

- If the annual governance statement does not comply with relevant guidance or is not consistent with our understanding of the Broads Authority;
- The use of additional powers and duties, for example making written recommendations under Section 24 and Schedule 7 of the Act or making a report in the public interest; and
- If we identify a significant weakness in the Broads 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 the preparation of the financial statements, including the narrative statement and governance statement, in accordance with the CIPFA Code and for having internal controls in place to ensure these financial statements are free from material error. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Executive Summary (cont'd)

2024/25 conclusions

<p>Financial statements</p>	<p>As reported in our 2023/24 Audit Results Report dated 24 January 2025, we issued a disclaimer of opinion on the Broads Authority's 2023/24 financial statements under the arrangements to reset and recover local government audit.</p> <p>In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances. As a result of the disclaimer of opinion on the 2022/23 & 2023/24 financial statements, we do not have assurance over some brought forward balances where we did not gain assurance (the opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. Taken together with the requirement to conclude our work by the 2024/25 backstop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2022/23 & 2023/24 financial statements are free from material and pervasive misstatement of the financial statements.</p> <p>We are considering the form of our audit report, and whether we can issue a qualified 2024/25 audit opinion this year rather than a disclaimer. This is consistent with LARRIG01 and the illustrative timescale for progress to full assurance, which sets out that there is potential for qualified except for, but more likely to be disclaimed.</p>
<p>Going concern</p>	<p>We will complete our work on going concern when concluding the audit. We currently have no issues to report concerning whether the S17 Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.</p>
<p>Consistency of the other information published with the financial statements</p>	<p>Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.</p>
<p>Value for money (VFM)</p>	<p>We had no matters to report by exception on the Authority's VFM arrangements. We have included our VFM commentary in Section 03 of this report.</p>
<p>Consistency of the annual governance statement</p>	<p>We were satisfied that the annual governance statement was consistent with our understanding of the Authority.</p>
<p>Additional powers and duties</p>	<p>We had no reason to use our auditor powers.</p>
<p>Whole of Government Accounts & Certificate</p>	<p>We expect to issue the audit certificate with the audit opinion, as the Authority is deemed a minor body and is therefore not required to make a Whole of Government Accounts (WGA) submission.</p>

Executive Summary (cont'd)

Value for money scope

Under the 2024 Code, we are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Authority a commentary against specified reporting criteria (see below) on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

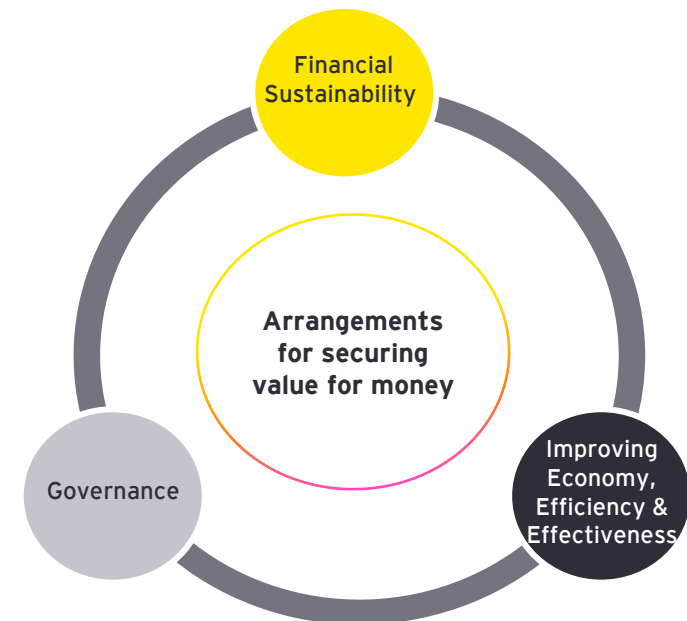
We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's report on the financial statements.

The specified reporting criteria are:

- Financial Sustainability - How the Authority plans and manages its resources to ensure it can continue to deliver its services.
- Governance - How the Authority ensures that it makes informed decisions and properly manages its risks.
- 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.

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 S17 Officer;
- Information from external sources; and
- Evaluation of associated documentation through our regular engagement with Authority management and the finance team.



Executive Summary (cont'd)

Reporting

Our commentary for 2024/25 is presented in Section 03 of this report. This section provides a summary of our understanding of the arrangements at the Authority, as determined from our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2024/25 and up to the date of issuing this Auditor's Annual Report, which must be issued by 30 November 2025.

In compliance with the 2024 Code, we are required to provide commentary against the three specified reporting criteria. The table below outlines these criteria, indicates whether a significant risk of weakness was identified during our planning procedures, and details our current conclusions regarding any significant weaknesses within your 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 (cont'd)

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 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2025

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 2025:

[EY UK 2025 Transparency Report | EY – UK](#)



02

Audit of financial statements

Audit of 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.

Our audit of the 2024/25 financial statements is substantially complete. We report our findings in detail within our Audit Results Report.

Financial statement risks

Significant risk

Conclusion

Misstatements due to fraud or error - Management override of controls

Within 2024/25, the S17 Officer posted 316 journals directly to the general ledger (2023/24: 17). We extended our testing to include the material journals and have not identified any accounting issues arising. However, as a Senior Officer, the S17 Officer should refrain from posting journals to ensure proper segregation of duties and maintain robust internal controls. We have raised this as a control weakness in Section 06 of this report.

We did not identify any other transactions during our audit which appeared unusual or outside the Authority's normal course of business.

Our journal entry testing has not identified any instances of inappropriate posting of journals.

Misstatements due to fraud or error - Inappropriate capitalisation of revenue expenditure

We have not identified any material weaknesses in controls or evidence of material management override.

We have not identified any instances of inappropriate capitalisation being applied.

Significant Risk - Implementation of IFRS16

We identified three factual misstatements that management have corrected:

- An adjustment between short-term and long-term lease liability of £44k. Short-term finance lease liability amended to £59k from £103k and long-term finance lease liability amended to £560k from £516k.
- Late inclusion of Aldeby Hall after being revalued during the audit. Increase of Right-of-Use Assets and long-term lease liability by £12k.
- Short-term lease liability requires excluding from the creditor balance. A decrease in creditors and increase in short-term lease liability of £104k.

We also identified one uncorrected projected misstatement:

- Understated lease liability of £13k due to a negative discount rate used. Management did not correct this as the error.

Audit of financial statements (cont'd)

Financial statement risks (cont'd)

Significant risk

Conclusion

Significant Risk - Valuation of Land and Buildings

We did not identify any misstatements regarding the valuation of the Authority's land and buildings.

We did however identify a corrected factual misstatement in relation to the revaluation surplus:

- The upward revaluation of assets has been overstated by £16k. Therefore, the revaluation reserve total is to decrease by £16k.

We also noted various disclosure misstatements within the Property, Plant and Equipment Note. Management have adjusted for these.

Inherent Risk 1 - Pension Liability Valuation

We identified one corrected factual misstatement in relation to this area:

- The asset ceiling had been incorrectly applied. This resulted in an adjustment of £10,849k increasing the net Pension Liability and decreasing the Pension Reserve balance.

We also noted some minor disclosure misstatements within the Pensions Note. Management have adjusted for these.

Audit of financial statements (cont'd)

Factors impacting the execution of the audit

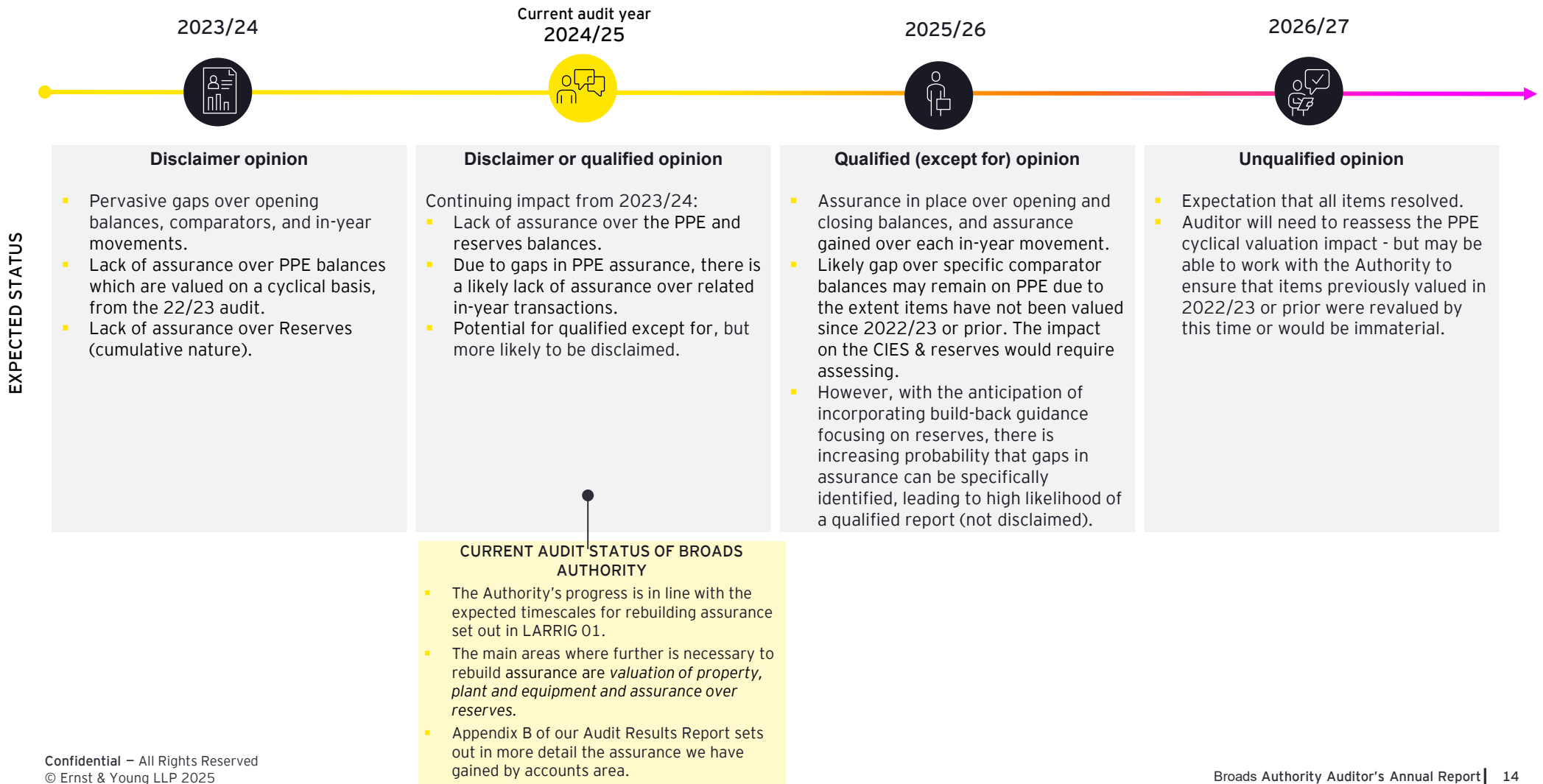
Management, and the Risk, Audit and Governance Committee, as the Authority's body charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table below sets out our views on the effectiveness of the Authority's arrangements to support external financial across a range of relevant measures.

Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements	Effective			The financial statements were published by the 30 June 2025 deadline set out in the Accounts and Audit Regulations.	N/A
Quality and completeness of the draft financial statements	Effective			Whilst there were multiple disclosure errors, no significant issues in the quality of accounts were noted.	The Leases Note was noted to have significant errors and will require improvement for 2025/26. Given this is in relation to first-time adoption of IFRS16, we have not deemed this a pervasive issue across the financial statements as a whole.
Delivery of working papers in accordance with agreed client assistance schedule	Effective			The majority of working papers were provided to the agreed timetable.	N/A
Quality of working papers and supporting evidence	Requires Improvement			Whilst working papers and supporting evidence were generally of a good standard, evidence provided in relation to Cashflow Statement and Other Expenditure require improvement.	Income & Expenditure listings could not initially be reconciled to the Draft Accounts. Initial Expenditure evidence provided was often not third-party and failed to indicate which financial period the services related to.
Timeliness and quality of evidence supporting key accounting estimates	Effective			Evidence provided around the key accounting estimates was generally of a good standard.	N/A
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective			The Director of Finance and the wider finance team were accessible throughout the audit and for the most part responded to queries in a timely manner.	N/A
Volume and value of identified misstatements	Effective			Value of misstatements identified were generally below performance materiality.	N/A
Volume of misstatements in disclosure	Requires Improvement			A relatively high number of disclosure misstatements were noted throughout the financial statements.	N/A

Audit of financial statements (cont'd)

Progress to full assurance

Set out below is the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Authority's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.





03

Value for Money commentary

Value for Money

The Authority's responsibilities for value for money

The Authority is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with the financial statements, the Authority is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Authority tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Our responsibilities

Under the revised NAO Code, we are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Authority a commentary against specified reporting criteria on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period. Our summary is below:

	Significant risk identified	Significant weakness identified
 <p>Financial sustainability How the Authority plans and manages its resources to ensure it can continue to deliver its services.</p>	<ul style="list-style-type: none"> No significant risk identified 	<ul style="list-style-type: none"> No significant weakness identified
 <p>Governance How the Authority ensures that it makes informed decisions and properly manages its risks.</p>	<ul style="list-style-type: none"> No significant risk identified 	<ul style="list-style-type: none"> No significant weakness identified
 <p>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.</p>	<ul style="list-style-type: none"> No significant risk identified 	<ul style="list-style-type: none"> No significant weakness identified



VFM Commentary: Financial Sustainability

Financial sustainability: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Financial Sustainability sub-criteria set out in AGN03:

- How the Authority ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Authority plans to bridge its funding gaps and identifies achievable savings;
- How the Authority plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Authority 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; and
- How the Authority identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Authority's arrangements for financial sustainability. In the prior year, no significant weaknesses were identified and there are no outstanding value for money recommendations relating to prior years. The Authority's underlying arrangements in relation to financial sustainability are not significantly different in 2024/25 to how they were in the previous year.

Overview of our conclusions

Based on the work performed, the Authority had proper arrangements in place in 2024/25 to plan and manage its resources to ensure it can continue to deliver its services.



Financial Sustainability Considerations

Medium Term Financial Strategy

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.

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 included within the annual budget, and the tracking of delivery is reviewed against the budget monitoring reports.

The Authority maintains sufficient reserves to address any potential shortfall. The combined balance of the General Account Fund and the Navigation Account Fund as of 31 March 2025 was £1,796k. The graph in Exhibit A below shows the estimated budget gap and the forecasted general fund and navigation fund reserve levels, demonstrating that the Authority maintains adequate reserves to cover any potential shortfall.

Exhibit A: The Authority's MTFP outlines a budget gap from 2025/26 to 2027/28 as below





Financial Sustainability Considerations (cont'd)

Budget Monitoring

Income and expenditure is monitored on a monthly basis, with budget holders providing updates on any variances. Toll income is carefully monitored 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 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 management and are 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.

Savings plans

The Authority performs scenario assessment of the savings requirement and identifies relevant schemes to achieve the annual savings requirements. The savings are built directly into the budgets and as such are monitored via the Authority's budget monitoring processes. 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 2027/28.

Outturn position

The outturn position for 2024/25 was a forecasted surplus of £342,301 (made up of a surplus of £132,537 in relation to National Park and £209,764 in relation to Navigation).



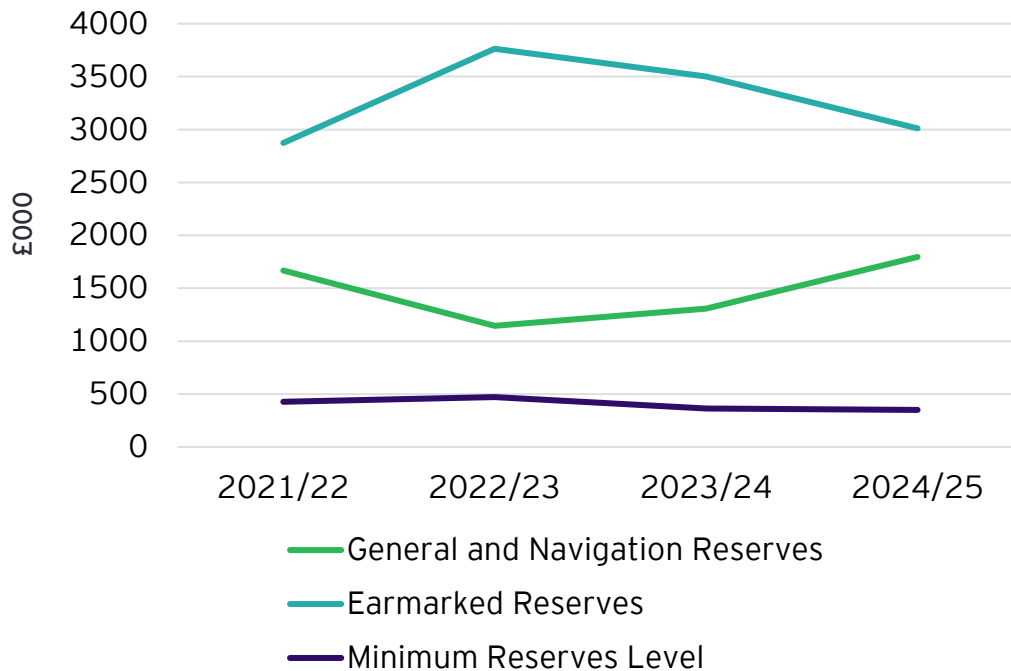
Financial Sustainability Considerations (cont'd)

Reserves position

As of 31 March 2025, the Authority has a total of £3,011k in the consolidated earmarked reserves (made up of £1,678k in relation to National Park and £1,332k in relation to Navigation). In addition, the General Fund and the Navigation Fund total balance was £1,796k.

The minimum reserves level is set at 10% of net expenditure. The graph in Exhibit B below shows that the Authority has managed its position to maintain sufficient reserve levels, consistently remaining above the minimum requirement. Therefore, the Authority maintains adequate reserves to address any potential shortfall, as documented on Page 18 of this report.

Exhibit B: Reserve position from 2021/22 to 2024/25





VFM Commentary: Governance

Governance: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Governance sub-criteria set out in AGN03:

- How the Authority monitors and assesses risk and how the body gains assurance over the effective operations of internal controls, including arrangements to prevent and detect fraud;
- How the Authority approaches and carries out its annual budget setting process;
- How the Authority 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, including in relation to significant partnerships;
- How the Authority 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; and
- How the Authority monitors and ensures appropriate standards, such as meeting legislative requirements and standards in terms of officer and member behaviour (such as gifts and hospitality declarations / conflicts of interest), and for example where it procures or commissions services.

Significant risks identified during planning procedures

Within our Audit Planning Report presented at the 23 July 2025 Risk, Audit and Governance Committee, we identified no risks of significant weakness in the Authority's governance arrangements. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The Authority's underlying arrangements in relation to governance are not significantly different in 2024/25 to how they were in previous years.

Overview of our conclusions

Based on the work performed, the Authority had proper arrangements in place in 2024/25 to make informed decisions and properly manage its risks.



Governance Considerations

Annual Governance Statement

We reviewed the framework for the preparation of the Annual Governance Statement (AGS). The process, as designed, is adequate to enable the Authority to report on the design and operation of arrangements that ensure sound governance, effective resource and risk management, and robust internal controls.

Risk Management

Risks are monitored through the Corporate and Directorate registers. The Corporate Risk Register is reviewed by management and 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.

Internal audit arrangements

The Head of Internal Audit provides an annual opinion on the effectiveness of controls and highlights if any areas require improvement. For 2024/25, a 'reasonable assurance' opinion was issued by Internal Audit. Internal audit covered four areas for 2024/25. Two areas received a substantial assurance opinion and two received a reasonable assurance opinion. No requirement for significant improvement was observed.

Informed decision making and member challenge

Budget monitoring reports are presented to the Broads Authority Committee on a quarterly basis. These reports cover both revenue and capital outturns and are reviewed in the presence of the Chief Executive, S17 Officer, and other senior officers. In addition to financial updates, the Committee also receives key strategic papers, including those related to strategic priorities, capital programme, and the treasury management strategy.



VFM Commentary: Improving Economy, Efficiency and Effectiveness

Improving economy, efficiency and effectiveness: Our audit procedures

Our audit procedures include:

- How financial and performance information has been used to assess performance to identify areas for improvement;
- How the Authority evaluates the service it provides to assess performance and identify areas for improvement;
- How the Authority ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess where it is meeting its objectives; and
- Where the Authority commissions or procures services, how it assesses whether it is realising the expected benefits.

Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Authority's arrangements for improving economy, efficiency and effectiveness. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The **Authority's** underlying arrangements in relation to improving economy, efficiency and effectiveness are not significantly different in 2024/25 to how they were in previous years.

Overview of our conclusions

Based on the work performed, the Authority had proper arrangements in place in 2024/25 in regard to how it uses information about its costs and performance to improve the way it manages and delivers its services.



Improving Economy, Efficiency and Effectiveness Considerations

Financial and performance information

Financial outturn is compared against the budget to identify areas of potential saving or service improvement. Performance is assessed against progress made towards the Broads Plan, strategic priorities and the budget, with regular updates being provided to the Broads Authority Committee. Any areas tracking below target will be investigated further to identify possible improvements that can be made. The Authority also uses various other sources of information to identify areas for improvement, including internal and external audit findings and recommendations.

Procurement and contract management

The Authority has 'Financial Regulations', 'Standing Orders Relating to Contracts' and a 'Procurement Strategy' in place that follow the relevant legislation and are updated regularly. All tenders are reviewed by the S17 Officer 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.

Partnership working

The Authority maintains a contract and 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.

Commissioning of services

The 'Broads Plan' is the overarching management plan for the Broads, produced by the Authority as a strategic plan. There are six strategic priorities that are aligned to the plan, and these strategies reinforce the day-to-day delivery of services by the Authority. Progress in relation to these strategic priorities are reviewed by management on a regular basis and any methods identified to support achieving these goals are discussed.

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Broads Authority

Audit results report

Year ended 31 March 2025

11 November 2025



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

11 November 2025

Dear Risk, Audit and Governance Committee Members,

2024/25 Audit results report

We attach our audit results report, summarising the status of our audit for the forthcoming meeting of the Risk, Audit and Governance Committee.

The audit is designed to express an opinion on the 2024/25 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on the Authority's accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge, the exercise of professional judgement and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process.

The Risk, Audit and Governance Committee, as the Authority's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Authority's wider arrangements to support the delivery of a timely and efficient audit. We consider and report on the adequacy of the Authority's external financial reporting arrangements and the effectiveness of the Risk, Audit and Governance Committee in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements; and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so. We draw Risk, Audit and Governance Committee members' and officers' attention to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) which clearly sets out what is expected of audited bodies in preparing their financial statements.

This report is intended solely for the information and use of the Risk, Audit and Governance Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Risk, Audit and Governance Committee meeting on 25 November 2025.

The [EY UK 2025 Transparency Report | EY – UK](#) provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion as of 30 June 2025.

Yours faithfully

David Riglar

Partner, For and on behalf of Ernst & Young LLP

Enc

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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 (<https://www.psa.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>)

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 the Broads Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Risk, Audit and Governance Committee and management of the 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 the Risk, Audit and Governance Committee and management of the 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 – Context for the audit

Context for the audit - Measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of the democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector need to work together to address this. Reasons for the backlog across the system have been widely reported and include:

- Lack of capacity within the local authority financial accounting profession;
- Increased complexity of reporting requirements within the sector;
- A lack of auditors and audit firms with public sector experience; and
- Increased regulatory pressure on auditors, which in turn has increased the scope and extent of audit procedures performed.

MHCLG has worked collaboratively with the FRC and other system partners, to develop and implement measures to clear the backlog. The approach to addressing the backlog consists of three phases:

- Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024. This has now been delivered.
- Phase 2: Recovery from Phase 1, starting from 2023/24, in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles. The backstop date for audit of the 2024/25 financial statements is 27 February 2026. This process of rebuilding assurance will take several years to achieve. The NAO, supported by the MHCLG and the FRC, are responsible for issuing guidance and have been liaising with audit firms to understand the complexities involved and to seek to ensure a more consistent approach for restoring assurance for disclaimed periods. The NAO has now published its Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06 setting out considerations for rebuilding assurance following the issue of disclaimed audit opinions under the backstop arrangements. The guidance predominantly focuses on the rebuilding of assurance over reserves, where it is more difficult to obtain assurance because of the way in which they accumulate over successive years. It also continues to recognise that the approach needed to rebuild assurance will differ authority to authority and will need to be considered in the context of both inherent risk factors which all authorities subject to recently disclaimed opinions will share, and factors specific to each individual authority's system of internal control and financial reporting. We will continue to consider the impact of this on our audit approach. In 2024/25 we have continued to audit the closing balance sheet and in-year transactions, which allows the build back of assurances over a large number of balances within the financial statements where audit procedures can be completed for successive years.
- Phase 3: Reform involving addressing systemic challenges in the system and embedding timely financial reporting and audit.

As reported in our 2023/24 Audit Results Report, we issued a disclaimer of opinion on the Authority's 2022/23 & 2023/24 financial statements under these arrangements to reset and recover local government audit. In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances. As a result of the disclaimer of opinion on the 2022/23 & 2023/24 financial statements, we do not have assurance over some brought forward balances where we did not gain assurance (the opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. Taking into account the requirement to conclude our work by the 2024/25 backstop date, we will not be able to rebuild assurance over these balances as part of the 2024/25 audit. We are considering the form of our audit report, and whether we can issue a qualified 2024/25 audit opinion this year rather than a disclaimer. This is consistent with LARRIG01 and the illustrative timescale for progress to full assurance, which sets out that there is potential for qualified except for, but more likely to be disclaimed.

Appendix A sets out the current position in rebuilding to return to a position of full assurance on its financial statements as compared with the timeline envisaged by the NAO's LARRIG 01. This is informed by the summary of the assurances we have gained from our 2023/24 and 2024/25 audit procedures, set out at Appendix B.

Executive Summary (cont'd)

Scope update

In our Audit Planning Report presented at the 23 July 2025 Risk, Audit and Governance Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

- Changes in materiality: In our Audit Planning Report, we communicated that our audit procedures would be performed using a planning materiality of £188k. Based on our materiality measure of gross revenue expenditure on services, we have updated our overall materiality assessment following receipt of the draft financial statements to £200k. This results in updated performance materiality, at 75% of overall materiality, of £150k, and an updated threshold for reporting misstatements of £10k.

Status of the audit

Our audit work in respect of the audit opinion is substantially complete. The following items relating to the completion of our audit procedures were outstanding at the date of this report.

- Receipt and final review of revised Annual Accounts;
- Receipt of the Norfolk Pension Fund Auditor's IAS19 Results;
- Receipt of Management Letter of Representation; and
- Subsequent Events confirmation.

Value for Money

In our Audit Planning Report dated 23 July 2025, we reported that we had completed our value for money (VFM) risk assessment and had identified no risks of significant weaknesses in arrangements. Having updated and completed the planned procedures in these areas we did not identify a significant weakness. See Section 03 of the report for further details.

Audit differences

- One uncorrected projected misstatement for £13k has been noted in relation to Leases. Management have chosen not to correct for this as it was a projected misstatement that was substantially below our performance materiality.
- Management have corrected misstatements amounting to a total of £11,316k.
- Various disclosure misstatements have been noted and corrected by management.

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Authority. We have no matters to report as a result of this work.

We expect to issue the audit certificate with the audit opinion, as the Authority is deemed a minor body and is therefore not required to make a Whole of Government Accounts (WGA) submission.

Executive Summary (cont'd)

Areas of audit focus

In our Audit Planning Report we identified a number of key areas of focus for our audit of the financial report of the Authority. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is explained within the 'Areas of Audit Focus' section of this report and summarised below.

Where applicable we have identified those matters that we consider to be key audit matters. Key audit matters are selected from the matters we communicate to you that in our opinion are of most significance to the current period audit and required significant attention in performing the audit. In accordance with ISA (UK) 701 key audit matters are included in our auditor's report.

Risk	Status of our work
Fraud Risk - Presumptive risk of management override of controls	▪ Work is completed in this area. No material issues were noted.
Fraud Risk - Inappropriate capitalisation of revenue expenditure	▪ Work is completed in this area. No material issues were noted.
Significant Risk - IFRS16 Implementation	▪ Work is completed in this area. Three corrected misstatements and one uncorrected misstatement noted. There were also disclosure misstatements that were corrected by management. Further details regarding these misstatements are provided in Section 02.
Significant Risk - Valuation of Land and Buildings	▪ Work is completed in this area. One corrected misstatement was noted. Further details regarding these misstatements are provided in Section 02.
Inherent Risk - Pension Liability Valuation	▪ Work is substantially completed in this area. One corrected misstatement was noted. There were also disclosure misstatements that were corrected by management. Further details regarding these misstatements are provided in Section 02.

Control observations

During the audit, we identified the following deficiencies in internal control:

- Posting of journal entries by the Section 17 (S17) Officer and subsequent review of those journals by lower seniority staff.
- No formal Minimum Revenue Provision (MRP) policy in place at the Authority.

Independence

We have not noted any independence issues throughout our audit.

Please refer to Section 08 for our update on Independence.

Executive Summary (cont'd)

Factors impacting the execution of the audit

Management, and the Risk, Audit and Governance Committee, as the Authority's body charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table below sets out our views on the effectiveness of the Authority's arrangements to support external financial across a range of relevant measures.


Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements	Effective			The financial statements were published by the 30 June 2025 deadline set out in the Accounts and Audit Regulations.	N/A
Quality and completeness of the draft financial statements	Effective			Whilst there were multiple disclosure errors, no significant issues in the quality of accounts were noted.	The Leases Note was noted to have significant errors and will require improvement for 2025/26. Given this is in relation to first-time adoption of IFRS16, we have not deemed this a pervasive issue across the financial statements as a whole.
Delivery of working papers in accordance with agreed client assistance schedule	Effective			The majority of working papers were provided to the agreed timetable.	N/A
Quality of working papers and supporting evidence	Requires Improvement			Whilst working papers and supporting evidence were generally of a good standard, evidence provided in relation to Cashflow Statement and Other Expenditure requires improvement going forward.	Income & Expenditure listings could not initially be reconciled to the Draft Accounts. Initial Expenditure evidence provided was often not third-party and failed to indicate which financial period the services related to. The Cashflow Statement did not balance after amendments.
Timeliness and quality of evidence supporting key accounting estimates	Effective			Evidence provided around the key accounting estimates was generally of a good standard.	N/A
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective			The Director of Finance and the wider finance team were accessible throughout the audit and for the most part responded to queries in a timely manner.	N/A
Volume and value of identified misstatements	Effective			Value of misstatements identified were generally below performance materiality.	See Section 05 for details of corrected and uncorrected misstatements.
Volume of misstatements in disclosure	Requires Improvement			A relatively high number of disclosure misstatements were noted throughout the financial statements.	N/A



02 Areas of Audit Focus

Areas of Audit Focus

Fraud Risk 1 - Presumptive risk of management override of controls

 Fraud Risk

What is the risk, and the key judgements and estimates?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

What are our conclusions

During 2024/25, the S17 Officer posted 316 journals directly to the general ledger (2023/24: 17). We extended our testing to include the material journals and have not identified any accounting issues arising. However, as a Senior Officer, the S17 Officer should refrain from posting journals to ensure proper segregation of duties and maintain robust internal controls. We have raised this as a control weakness in Section 06 of this report.

We did not identify any other transactions during our audit which appeared unusual or outside the Authority's normal course of business.

Our journal entry testing has not identified any instances of inappropriate posting of journals.

Our response to the key areas of challenge and professional judgement


We undertook the following procedures to address the fraud risk:

- Identified other fraud risks during the planning stage.
- Inquired with management as to the risks of fraud and the controls put in place to address those risks.
- Understood the oversight given by those charged with governance of management's processes over fraud.
- Discussed with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector.
- Considered whether there were any fraud risk factors associated with related party relationships and transactions and if so, whether they give rise to a risk of material misstatement due to fraud.
- Considered the effectiveness of management's controls designed to address the risk of fraud.
- Determined an appropriate strategy to address those identified risks of fraud.
- Performed mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries (including S17 Officer journals) and other adjustments in the preparation of the financial statements.
- Reviewed accounting estimates for evidence of management bias.
- Undertook procedures to identify significant unusual transactions.
- Considered whether management bias was present in the key accounting estimates and judgements in the financial statements.

We utilised our data analytics capabilities to assist with our work, including journal entry testing. We also assessed journal entries for evidence of management bias and evaluated the business rationale.

Areas of Audit Focus (cont'd)

Fraud Risk 2 - Inappropriate capitalisation of revenue expenditure

 Fraud Risk

What is the risk, and the key judgements and estimates?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.

What are our conclusions

We have not identified any material weaknesses in controls or evidence of material management override.

We have not identified any instances of inappropriate capitalisation being applied.


Our response to the key areas of challenge and professional judgement

We undertook the following procedures to address the fraud risk:

- Tested Property, Plant and Equipment (PPE) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature.
- Assessed whether the capitalised spend clearly enhances or extends the useful life of asset rather than simply repairing or maintaining the asset on which it is incurred.
- Considered whether any development or other related costs that have been capitalised are reasonable to capitalise, i.e. the costs incurred are directly attributable to bringing the asset into operational use.
- Identified and understood the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

Areas of Audit Focus (cont'd)

Significant Risk 1 - Implementation of IFRS16

 Significant Risk

What is the risk, and the key judgements and estimates?

- IFRS16 Leases is applicable in local government for periods beginning 1 April 2024. It has been adopted, interpreted and adapted in the 2024/24 CIPFA Code of Practice on Local Authority Accounting which sets out the financial reporting framework for the Authority's 2024/25 accounts.
- IFRS16 eliminates the operating / finance lease distinction for leases and imposes a single model geared towards the recognition of all but low-value or short-term leases. Where the Authority is classed as a lessee these will now be recognised on the Balance Sheet as a 'right of use' asset with an appropriate lease liability reflecting the obligation to make lease payments.
- Successful transition will depend on the Authority having captured additional information about leases, both new and existing, especially regarding future minimum lease payments. The Authority will also have had to develop systems for capturing cost information that are fit for purpose, can respond to changes in lease terms and the presence of any variable (e.g., RPI-based) lease terms where forecasts will need to be updated annually based on prevailing indices.

Our response to the key areas of challenge and professional judgement

We undertook the following procedures to address the significant risk:

- Gained an understanding of the processes and controls developed by the Authority relevant to the implementation of IFRS16. We ensured particular focus was on the Authority's arrangements to ensure the completeness lease and lease-type arrangements considered.
- Reviewed the discount rate that is used to calculate the right of use asset and assess its reasonableness.
- Reviewed management policies, including whether to use a portfolio approach, low value threshold, and asset classes where management is adopting as the practical expedient to non-lease components.
- Gained assurance over the right of use asset and lease liability valuation included within the 2024/25 financial statements.
- Sample tested leases to ensure that valuation, rights & obligations, and transition arrangements were correctly assessed and applied.
- Considered the accounting for leases provided at below market rate, including peppercorn and nil consideration, and the need to make adjustments to cost in the valuation of right of use assets at the balance sheet date.

What are our conclusions

We identified three factual misstatements that management have corrected:

- An adjustment between short-term and long-term lease liability of £44k. Short-term finance lease liability amended to £59k from £103k and long-term finance lease liability amended to £560k from £516k.
- Late inclusion of Aldeby Hall after being revalued during the audit. Increase of Right-of-Use Assets and long-term lease liability by £12k.
- Short-term lease liability requires excluding from the creditor balance. A decrease in creditors and increase in short-term lease liability of £104k.


We also identified one uncorrected projected misstatement:

- Understated lease liability of £13k due to a negative discount rate used. Management did not correct this as the error.

There were also disclosure misstatements noted in relation to the presentation of the Leases and PPE Notes which had not been presented correctly leading to misstated balances. Management have adjusted for these.

Areas of Audit Focus (cont'd)

Significant Risk 2 - Valuation of Land and Buildings

 Significant Risk

What is the risk, and the key judgements and estimates?

The fair value of Property, Plant and Equipment (PPE) land and buildings represents a significant balance in the Authority's accounts and are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. There is an increased risk over the valuation of these assets due to the change in managements expert who may apply different assumptions and methodologies to their valuations.

We note that not all of the Authority's PPE is subject to revaluation. The Authority's PPE is valued on a rolling programme over 5 years. The valuation basis is different depending on the type of property being revalued, with assets carried at Depreciated Replacement Cost, Existing Use Value or Fair Value. Each valuation basis is reliant on different inputs, estimation processes and assumptions.

Our response to the key areas of challenge and professional judgement

We undertook the following procedures to address the significant risk:

- Writing to the Authority's valuers, to assess the adequacy of the scope of the work performed, their professional capabilities and the results of their work.
- Sample tested key asset information and assumptions used by the valuers in performing their valuation, agreeing this back to third-party evidence and indices.
- Considered the annual cycle of valuations to ensure that all assets have been valued within a 5-year rolling programme as required by the Code for PPE. We have also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer.
- Reviewed assets not subject to valuation in 2024/25 to confirm that the remaining asset base is not materially misstated or requires impairment.
- Considered changes to useful economic lives as a result of the most recent valuation.
- Tested that the accounting entries have been correctly processed in the financial statements.
- Ensured that the revaluation reserve had been appropriately adjusted for the individual assets that had been revalued in 2024/25.

What are our conclusions

We did not identify any misstatements regarding the valuation of the Authority's land and buildings.

We did however identify a corrected factual misstatement in relation to the revaluation surplus:

- The upward revaluation of assets has been overstated by £16k. Therefore, the revaluation reserve total is to decrease by £16k.

We also noted various disclosure misstatements within the PPE Note. Management have adjusted for these.

Areas of Audit Focus (cont'd)

Inherent Risk 1 - Pension Liability Valuation

What is the risk, and the key judgements and estimates?

The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by the Authority.

The information disclosed is based on the IAS19 report issued by the actuary to the Authority.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Our response to the key areas of challenge and professional judgement

To respond to this higher risk estimate, we:

- Liaised with the auditors of Norfolk Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the Authority.
- Assessed the work of the pension fund actuary including the assumptions they have used by relying on the work of PwC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors. We also considered a review of this report by the EY actuarial team.
- Evaluated the reasonableness of the Pension Fund actuary's calculations by comparing them to the outputs of our own auditor's specialist's model.
- Review and test the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19.
- Agreed that the asset ceiling had been appropriately calculated and presented.
- Used our EY actuarial team to recalculate the total pension liabilities and the asset ceiling.

What are our conclusions

We identified one corrected factual misstatement in relation to this area:

- The asset ceiling had been incorrectly applied. This resulted in an adjustment of £10,849k increasing the net Pension Liability and decreasing the Pension Reserve balance.

We also noted some minor disclosure misstatements within the Pensions Note. Management have adjusted for these.



03 Value for Money

Value for Money

The Authority's responsibility for Value for Money (VFM)

The Authority is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, the Authority is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Authority tailors the content to reflect its own individual circumstances, consistent with the requirements set out in the NAO Code of Audit Practice. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Risk assessment and status of our work

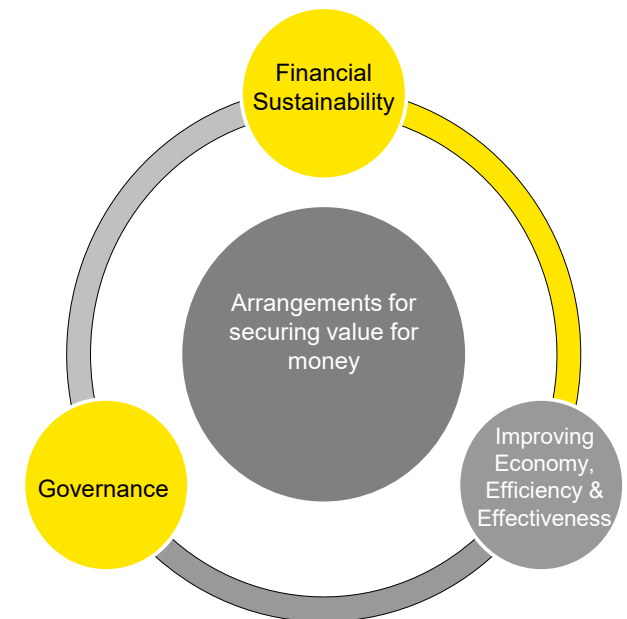
We are required to consider whether the Authority has made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

Our value for money planning and the associated risk assessment is focused on gathering sufficient evidence to enable us to document our evaluation of the Authority's arrangements, to enable us to draft a commentary under three reporting criteria (see below). This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

We will provide a commentary on the arrangements against three reporting criteria:

- Financial Sustainability - How the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance - How the Authority ensures that it makes informed decisions and properly manages its risks; and
- 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.

We have completed our detailed VFM work and identified no risks of significant weaknesses in arrangements and therefore expect to have no matters to report by exception within our audit report.





04 Audit Report

Audit Report

Our opinion on the financial statements

As reported in our Prior Year Audit Results Report, we issued a disclaimer of opinion on the Authority's 2022/23 and 2023/24 financial statements under the arrangements to reset and recover local government audit.

In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances.

As a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over some brought forward balances from 2023/24 where we did not gain assurance. This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over some 2023/24 comparative balances disclosed in the 2024/25 financial statements.

The areas where we have not obtained those assurances are presented in the summary of the assurances we have gained from our 2023/24 and 2024/25 audit procedures, set out in Appendix B.

Taking into account the requirement to conclude our work by the 2024/25 backstop date, we will not be able to rebuild assurance over these balances as part of the 2024/25 audit. We are currently considering the form of our audit report, and whether we can issue a qualified 2024/25 audit opinion this year rather than a disclaimer as issued in the last two years.

Regardless of the form of the audit report, the Broads Authority remains on track with the timescales envisaged for the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01.



05 Audit Differences

Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as 'known' or 'judgemental'. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted differences

We highlight the following misstatements greater than our performance materiality of £150k that were identified during the course of our audit and have been corrected by management:

- We noted the Trial Balance did not agree to the Fixed Asset Register in relation to total depreciation charged. An adjustment of £291k was required decreasing PPE Cost and increasing PPE Depreciation.
- The asset ceiling had been incorrectly applied. This resulted in an adjustment of £10,849k increasing the net Pension Liability and decreasing the Pension Reserve balance.

There were no uncorrected misstatements above £150k.

In terms of disclosure adjustments, we adjusted 20 individual notes to the financial statements.

In particular, we made various adjustments to the Property, Plant and Equipment (PPE) and Leases notes, as these had not been presented properly in relation to the implementation of IFRS16 and showing how those leases had been capitalised. We noted that Right-of-Use Assets that were capitalised under IFRS16 had been included within the PPE Additions balance, whereas they should have been presented as an adjustment to the opening balance as they existed prior to 1 April 2024.

The Authority did not include a Transitional Provision Disclosure regarding the implementation of IFRS16 as is required by the Code. The accounting policy disclosure also required some amendments to ensure it was Code compliant.

In relation to the Contingent Liabilities note, the provision for use of the site was required to be adjusted from £8.9m to £10.6m, a £1.7m adjustment.

We also made various amendments to the Cashflow Statement.



06

Assessment of Control Environment

Assessment of Control Environment

Financial controls

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you any significant deficiencies in internal control that we have identified.

Summary of control observations and recommendations

Control observation and impact	Grading			Recommendation	Management Response
	H	M	L		
Journal Posting by S17 Officer - In 2024/25, the S17 Officer posted 316 journals directly to the general ledger (2023/24: 17). We extended our testing to include the material journals and have not identified any accounting issues arising. However, as a Senior Officer, the S17 Officer should refrain from posting journals to ensure proper segregation of duties and maintain robust internal controls.		Moderate		We recommend that the S17 Officer does not post journals and instead reviews them where their input is required.	Management agree that this is an issue, however due to the capacity of the relatively small finance team this is not always possible and as a result the S17 Officer does post journals on occasions.
Journal Review by Lower Seniority Staff - The journals posted by the S17 Officer are reviewed by the Senior Accountant or Financial Accountant, both of whom are lower seniority. This arrangement compromises the effectiveness of the review process and does not align with best practices for oversight and accountability.		Moderate		As above, we recommend that the S17 Officer does not post journals and instead reviews them where their input is required.	Management agree that this is an issue, however due to the capacity of the relatively small finance team this is not always possible and as a result the S17 Officer does post journals on occasions which are then reviewed by the finance team.
No formal Minimum Revenue Provision (MRP) policy in place - Based on statutory guidance (Capital finance: guidance on minimum revenue provision (5th edition)), all local authorities need to prepare an MRP policy statement ahead of each financial year. There is currently no policy prepared by the Authority. MRP for the Authority was £80k.		Moderate		Although this will not be possible for the start of the subsequent period, we recommend that the Authority put in place a formal MRP policy statement for 2025/26 that can then be adhered to going forward.	Management agree that they are required to publish a formal MRP policy per the statutory guidance.

Grading	Definition
High	Matters and/or issues considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance. Action should be taken either immediately or within three months.
Moderate	Matters and/or issues considered to be of major importance to maintenance of internal control, good corporate governance or best practice for processes. Action should be taken within six months.
Low	A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6-12 months.

Assessment of Control Environment (cont'd)

Status of previous year's recommendations

Recommendation	Grading			Update
	H	M	L	
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.		Moderate		The Authority continued to make manual adjustments following the closure of the General Ledger. Whilst these adjustments were not as significant as in the prior year, they still caused some issues with our reconciliation of opening account balances. For 2025/26 closing process, we would encourage the Authority to minimise the amount of post-closing manual adjustments.



07

Other Reporting Issues

Other Reporting Issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Broads Authority Statement of Accounts 2024/25 with the audited financial statements.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the Broads Authority Statement of Accounts 2024/25 and published with the financial statements was consistent with the audited financial statements.

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements. We have no other matters to report.

Whole of Government Accounts

The Authority is deemed a minor body and is therefore not required to make a Whole of Government Accounts (WGA) submission.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 (the Act) to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We are also able to issue statutory recommendations under Schedule 7 of Section 27 of the Act. Statutory recommendations under Schedule 7 must be considered and responded to publicly and are shared with the Secretary of State,

We did not identify any issues which required us to issue a report in the public interest or issue statutory recommendations under Schedule 7.



08

Independence

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your company, and its directors and senior management and its affiliates, including all services provided by us and our network to your company, its directors 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 our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

Relationships

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by EY

There are no services provided by EY from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

Independence (cont'd)

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.

A breakdown of our fees is shown in the table to the right.

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

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our financial statement opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation being provided by the Authority;
- ▶ The Authority having an effective control environment; and
- ▶ The Authority complying with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psa.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. A narrative summary of the areas where we expect to raise scale fee variations for the audit of the Authority are set out in the fee analysis on this page.

	Current Year	Prior Year
	£	£
Scale Fee - Code Work	74,259	67,107
Proposed scale fee variation	TBD Note 2	15,814 Note 1
Total audit	TBD	82,921

All fees exclude VAT

(1) As set in our 2023/24 Audit Results Report, a scale fee variation was submitted to PSAA covering the following areas:

- Revisions to ISA (UK) 315
- New accounting standards, for example preparedness and additional disclosures in respect of IFRS16.
- Identified risks and/or issues in year (i.e., IAS 19 asset ceiling calculation and additional work performed linked to identified audit adjustments)
- As at the date of this report that scale fee variation has now been determined at a total value of £15,814.

(2) We propose to submit a scale fee variation to PSAA for additional 2024/25 work covering the following areas:

- IFRS16 implementation
- Identified risk concerning the change in management's expert for valuation of Property, Plant and Equipment
- S17 Officer Journal Testing

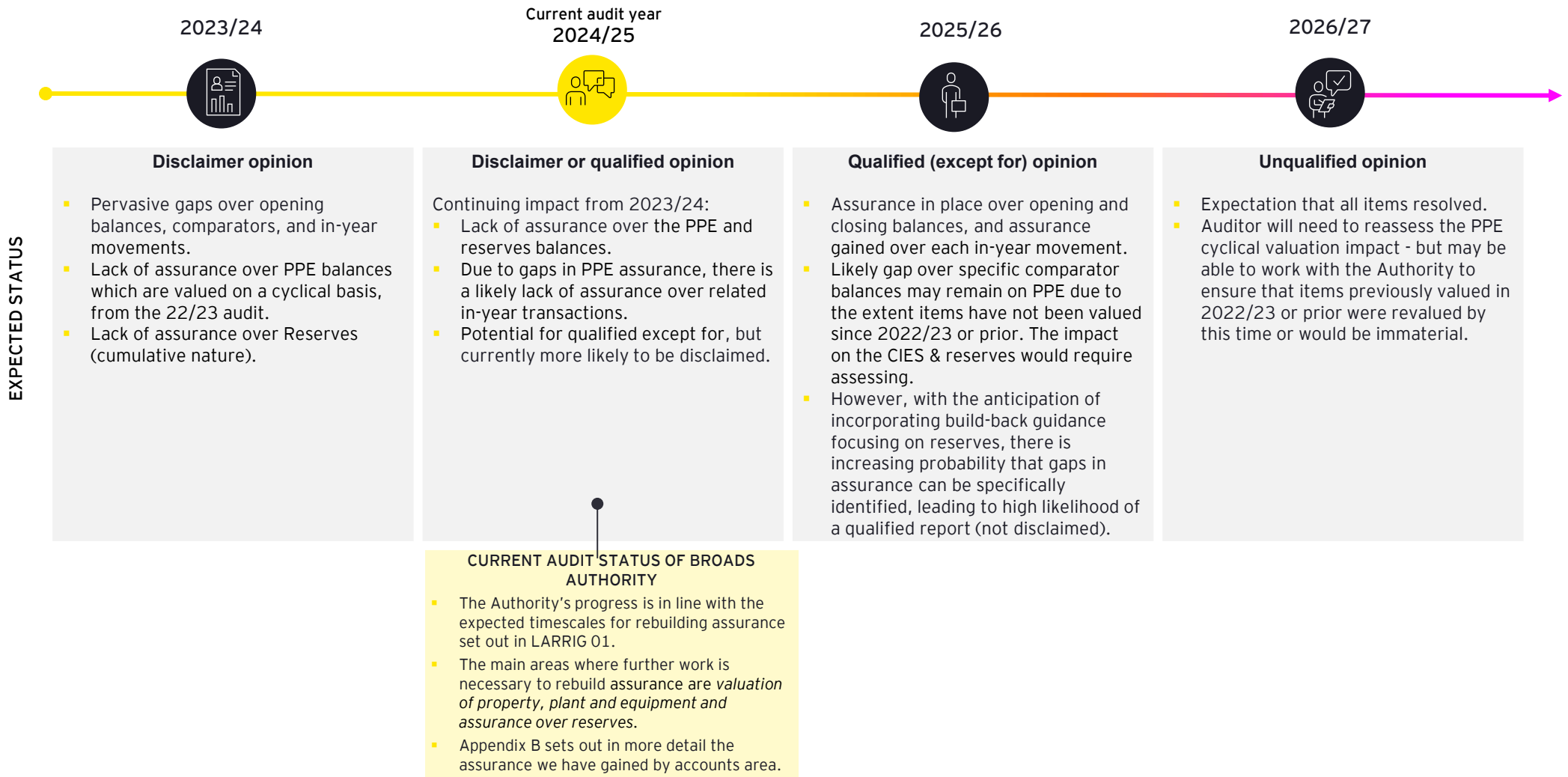


09 Appendices

Appendix A – Progress to full assurance

Progress to full assurance

Set out below is the illustrative timescale for the process of re-building assurance set out in the NAO’s Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Authority’s actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.



Appendix B – Updated summary of assurances

Summary of Assurances

The table below summarises the audit work we have completed on the 2023/24 and 2024/25 financial statements to demonstrate to the Committee the level of assurance that has been obtained as a result of the financial statements audit.

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Property, Plant and Equipment (PPE)	Partial	Partial	We have completed testing of the 2023/24 and 2024/25 additions and disposals to the fixed asset register, audited the valuation of a sample of assets revalued in 2023/24 and 2024/25 and performed procedures to obtain assurance over the existence of assets on the fixed asset register and the Authority's right to recognise those assets. However, until we are able to rebuild assurance over PPE additions, disposals and revaluations in the disclaimed period (2022/23), we are unable to obtain substantial assurance over the completeness and valuation of PPE at 31 March 2025.
Inventories	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025. We did not have assurance over comparative balances in 2023/24.
Leases	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025. We did not have assurance over comparative balances in 2023/24.
Short Term Investments	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025. We did not have assurance over comparative balances in 2023/24.
Short Term Debtors	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025. We did not have assurance over comparative balances in 2023/24.
Cash and Cash Equivalents	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025. We did not have assurance over comparative balances in 2023/24.
Short Term Creditors	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025. We did not have assurance over comparative balances in 2023/24.
Grants Received in Advance	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025. We did not have assurance over comparative balances in 2023/24.
Pension Liability	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025. We did not have assurance over comparative balances in 2023/24.

Appendix B – Updated summary of assurances (cont'd)

Summary of Assurances (continued)

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Service Expenditure (Including Payroll)	Partial	Partial	We have completed our planned audit procedures in this area and have obtained partial assurance over the closing balance at 31 March 2025. We did not have assurance over comparative balances in 2023/24. We have only achieved partial assurance due to depreciation charges and revaluation movements where full assurance was not obtained over the 2022/23 valuation from which the valuation movement was calculated.
Finance Income	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025. We did not have assurance over comparative balances in 2023/24.
Grant Income	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025. We did not have assurance over comparative balances in 2023/24.
Service Income	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025. We did not have assurance over comparative balances in 2023/24.
Toll Income	Partial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025. We did not have assurance over comparative balances in 2023/24.
Reserves	None	None	We have completed our work on the movements in reserves in 2023/24 and 2024/25. However, until we have completed our work programme on the rebuilding of assurance following the disclaimed audit opinion, we are unable to obtain substantial assurance over the usable and unusable reserves of the Authority reported in the financial statements.

Appendix C – Required communications with those charged with governance

Required communications with those charged with governance

There are certain communications that we must provide to those charged with governance. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	What is reported?	When and where?
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit planning report - Risk, Audit and Governance Committee - 23 July 2025
Planning and audit approach	<p>Communication of:</p> <ul style="list-style-type: none"> ▪ The planned scope and timing of the audit ▪ Any limitations on the planned work to be undertaken ▪ The planned use of internal audit ▪ The significant risks identified <p>When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.</p>	Audit planning report - Risk, Audit and Governance Committee - 23 July 2025
Significant findings from the audit	<ul style="list-style-type: none"> ▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Significant matters, if any, arising from the audit that were discussed with management ▪ Written representations that we are seeking ▪ Expected modifications to the audit report ▪ Other matters if any, significant to the oversight of the financial reporting process 	Audit results report - Risk, Audit and Governance Committee - 25 November 2025

Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where?
Significant findings from the audit (cont'd)	<ul style="list-style-type: none"> ▪ Subject to compliance with regulations, any actual or suspected non-compliance with laws and regulations identified relevant to the Risk, Audit and Governance Committee ▪ Subject to compliance with regulations, any suspicions that irregularities, including fraud with regard to the financial statements, may occur or have occurred, and the implications thereof ▪ The valuation methods used and any changes to these ▪ The scope of consolidation and exclusion criteria if any and whether in accordance with the reporting framework ▪ The completeness of documentation and explanations received ▪ Any significant difficulties encountered in the course of the audit ▪ Any significant matters discussed with management ▪ Any other matters considered significant 	
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▪ Whether the events or conditions constitute a material uncertainty related to going concern ▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▪ The appropriateness of related disclosures in the financial statements 	Audit results report - Risk, Audit and Governance Committee - 25 November 2025
Misstatements	<ul style="list-style-type: none"> ▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▪ The effect of uncorrected misstatements related to prior periods ▪ A request that any uncorrected misstatement be corrected ▪ Material misstatements corrected by management 	Audit results report - Risk, Audit and Governance Committee - 25 November 2025

Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where?
Fraud	<ul style="list-style-type: none"> ▪ Enquiries of the Risk, Audit and Governance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▪ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> ▪ Management; ▪ Employees who have significant roles in internal control; or ▪ Others where the fraud results in a material misstatement in the financial statements. ▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▪ Matters, if any, to communicate regarding management’s process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ▪ Any other matters related to fraud, relevant to Risk, Audit and Governance Committee responsibility. 	Audit results report - Risk, Audit and Governance Committee - 25 November 2025
Related parties	<p>Significant matters arising during the audit in connection with the entity’s related parties including, when applicable:</p> <ul style="list-style-type: none"> ▪ Non-disclosure by management ▪ Inappropriate authorisation and approval of transactions ▪ Disagreement over disclosures ▪ Non-compliance with laws and regulations ▪ Difficulty in identifying the party that ultimately controls the entity 	Audit results report - Risk, Audit and Governance Committee - 25 November 2025

Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where?
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence <p>Communications whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Audit planning report - Risk, Audit and Governance Committee - 23 July 2025</p> <p>Audit results report - Risk, Audit and Governance Committee - 25 November 2025</p>
External confirmations	<ul style="list-style-type: none"> ▪ Management's refusal for us to request confirmations ▪ Inability to obtain relevant and reliable audit evidence from other procedures 	Audit results report - Risk, Audit and Governance Committee - 25 November 2025
Consideration of laws and regulations	<ul style="list-style-type: none"> ▪ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▪ Enquiry of the Risk, Audit and Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	Audit results report - Risk, Audit and Governance Committee - 25 November 2025
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> ▪ Significant deficiencies in internal controls identified during the audit 	Audit results report - Risk, Audit and Governance Committee - 25 November 2025

Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where?
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> Written representations we are requesting from management and/or those charged with governance 	Audit results report - Risk, Audit and Governance Committee - 25 November 2025
System of quality management	<ul style="list-style-type: none"> How the system of quality management (SQM) supports the consistent performance of a quality audit 	Audit results report - Risk, Audit and Governance Committee - 25 November 2025
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Audit results report - Risk, Audit and Governance Committee - 25 November 2025
Auditors report	<ul style="list-style-type: none"> Key audit matters that we will include in our auditor's report Any circumstances identified that affect the form and content of our auditor's report 	Audit results report - Risk, Audit and Governance Committee - 25 November 2025

Appendix D – Regulatory update

The English Devolution and Community Empowerment Bill – Audit Measures

Background

On 16 December 2024, the Government published the English Devolution White Paper. The White Paper outlines how England is one of the most centralised countries in the world and contends that over-centralisation is holding back the prosperity of the regions. As a result, there is an intention from Government to widen and deepen devolution to local areas across England. The English Devolution and Community Empowerment Bill (the Bill) is intended to provide the legislative framework to do this by setting out a standardised framework of devolved powers, duties and functions. The bill is in six parts:

- Part 1 introduces the new devolution architecture for England, centred around the new category of “strategic authorities” (SAs). These are organisations designated by Government to have responsibility for strategy development and programme delivery over larger functional economic areas.
- Part 2 outlines the powers and duties which existing and future SAs will have, and the new process by which new powers and duties can be conferred on SAs by Government in the future.
- Part 3 is focused on measures designed to strengthen local government and communities.
- Part 4 is intended to strengthen the accountability of the local government sector by reforming the local audit system, including the establishment of the Local Audit Office (LAO) as the body responsible for overseeing local audit.
- Part 5 concerns the banning of upwards only rent review clauses for commercial leases to prevent vacant shops and regenerate high streets in communities across England.
- Part 6 contains the technical sections related to the Bill, including on regulations, commencement and extent.

The draft legislation can be found in full at [English Devolution and Community Empowerment Bill](#).

Part 4 of the Bill - Reforming local audit

The Bill is intended to overhaul the local audit system as is part of the wider measures to address the backlog in local government audit previously considered by this report. Specifically:

- The LAO will be established with the aim of radically simplifying the current audit system and bringing functions together under a single organisation with a clear remit. The LAO will be responsible for coordinating the system, standard setting, contracting, quality oversight and reporting. It will also support and enable wider measures to address pressing challenges, including reforms to financial reporting; strengthening audit capacity and capability; and establishing public provision of audit to support the private market.
- The LAO will be responsible for audit quality and the regulation of audit providers. Regulatory powers can be delegated.
- The LAO will be responsible for auditor appointment to all local audits other than for NHS bodies, will set indicative fees, publish those fees and make final determinations on the fees to be paid. The ability of local authorities to appoint their own auditors is removed.
- Audit firms will be required to nominate ‘lead individuals’ and have pre-approval of their own eligibility criteria.
- The responsibility for production of the Code of Audit Practice passes from the NAO to LAO. The LAO is also able to determine technical standards that auditors must follow.
- Statutory guidance for Audit Committees will be developed by LAO in conjunction with the Local Government Association, CIPFA and other relevant bodies.

We will continue to keep you updated as these arrangements develop.

Appendix E – Management representation letter

Management representation letter

11 November 2025

Ernst & Young

One Cambridge Square, Cambridge, CB4 0AE

This letter of representations is provided in connection with your audit of the financial statements of Broads Authority (“the Authority”) for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the Authority financial position of Broads Authority as of 31 March 2025 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records (See Note B.)

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.⁵

2. We acknowledge, as members of management of the Authority, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The material accounting policy information adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the Authority, we believe that the Authority has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, that are free from material misstatement, whether due to fraud or error.⁶
5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.⁷ We have not corrected these differences identified by and brought to the attention from the auditor because they are projected misstatements that are in total below Tolerable Error.⁸
6. We confirm the Authority does not have securities (debt or equity) listed on a recognised exchange.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Authority's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.

Appendix E – Management representation letter (cont'd)

Management representation letter (cont'd)

2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.⁹
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.¹⁰
4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by “whistleblowers”), including non-compliance matters:
 - involving financial improprieties;
 - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Authority’s financial statements;
 - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Authority’s activities, its ability to continue to operate, or to avoid material penalties;
 - involving management, or employees who have significant roles in internal controls, or others; or
 - in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.¹¹

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

- Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.¹²
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.¹³
 3. We have made available to you all minutes of the meetings of the Authority and its committees (or summaries of recent meetings for which minutes have not yet been prepared) held from 1 April 2024 through to the 11 November 2025.
 4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority’s related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended 31 March 2025, as well as related balances due to or from such parties at the period end. These transactions have been appropriately accounted for and disclosed in the financial statements.¹⁴
 5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with [applicable financial reporting framework].¹⁵
 6. We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
 7. From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount

Appendix E – Management representation letter (cont'd)

Management representation letter (cont'd)

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.¹⁹
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in the financial statements all guarantees that we have given to third parties.¹⁷

E. Going Concern¹⁸

1. The financial statements disclose all the matters of which we are aware that are relevant to the Authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. There have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.¹⁹

G. Other information²⁰

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises of the Narrative Report and the Annual Governance Statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.

H. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and reflected in the financial statements.
2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, aligned with the statements we have made in the other information or other public communications made by us (see Section G).

I. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the valuation of land and buildings and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

J. Estimates (Valuation of IFRS16 Leases, Pension Liability, and Property, Plant and Equipment)²¹

1. We confirm that the significant judgments made in making the above estimates have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the above estimates.
3. We confirm that the significant assumptions used in making the above estimates appropriately reflect our intent and ability to carry out this valuation.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimates, including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Appendix E – Management representation letter (cont'd)

Management representation letter (cont'd)

5. We confirm that appropriate specialised skills or expertise has been applied in making the above accounting estimates.
6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements.

K. Ownership of Assets

1. Except for assets capitalised under finance leases, the Authority has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collateral, other than those that are disclosed in the notes to the financial statements. All assets to which the Authority has satisfactory title appear in the balance sheet.
2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the financial statements.
3. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
4. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. Except as disclosed in the notes to the financial statements, we have no other line of credit arrangements.

L. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

(Chief Financial Officer/Finance Director)

(Chairman of the Audit Committee)

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David Riglar
Partner
Ernst & Young
One Cambridge Square
Cambridge
CB4 0AW

Date to be inserted upon signing

Dear David

Broads Authority Letter of Representation

This letter of representations is provided in connection with your audit of the financial statements of Broads Authority (“the Authority”) for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and parent Authority financial statements give a true and fair view of (or ‘present fairly, in all material respects,’) the authority financial position of Broads Authority as of 31 March 2025 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the Authority, CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of our Authority financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:



A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Authority, the Accounts and Audit Regulations 2015 and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
2. We acknowledge, as members of management of the authority, our responsibility for the fair presentation of the consolidated and parent Authority financial statements. We believe the Authority financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The material accounting policies adopted in the preparation of the authority financial statements are appropriately described in the authority's financial statements.
4. As members of management of the authority, we believe that the authority has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that are free from material misstatement, whether due to fraud or error.
5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We have not corrected these differences identified by and brought to the attention from the auditor because they are projected misstatements that are not material.
6. We confirm the authority does not have securities (debt or equity) listed on a recognised exchange.

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the authority's business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws or regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.
3. We have disclosed to you the results of our assessment of the risk that the Authority financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud, that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by “whistleblowers”), including non-compliance matters:
 - Involving financial improprieties
 - Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the Authority financial statements
 - Related to laws or regulations that have an indirect effect on amounts and disclosures in the Authority financial statements, but compliance with which may be fundamental to the operations of the authority’s business, its ability to continue in business, or to avoid material penalties
 - Involving management, or employees who have significant roles in internal control, or others; or
 - In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the Authority financial statements.
3. We have made available to you all minutes of the meetings of the Authority and its committees (Broads Authority and Risk, Audit and Governance) (or summaries of actions of recent meetings for which minutes have not yet been prepared) held from 1 April 2024 through to the 11 November 2025.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the authority’s related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no

consideration for the period ended, as well as related balances due to or from such parties at the 31 March 2025 period end. These transactions have been appropriately accounted for and disclosed in the Authority financial statements.

5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
6. We have disclosed to you, and the authority has complied with, all aspects of contractual agreements that could have a material effect on the Authority financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorised access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorised access to our information technology systems is reasonably likely to have a material effect on the Authority financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note 33 to the consolidated and parent Authority financial statements all guarantees that we have given to third parties.

E. Going Concern

1. The financial statements discloses all the matters of which we are aware that are relevant to the Authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. Other than the events described in Note 6 to the Authority financial statements, there have been no events subsequent to period end which require adjustment of or

disclosure in the consolidated and parent Authority financial statements or notes thereto.

G. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the information contained within the Narrative Statement and the Annual Governance Statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.

H. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and the authority have reflected these in the financial statements.
2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, aligned with the statements we have made in the other information or other public communications made by us (see Section G).

I. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the current value of the land and buildings, and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

J. Estimates (Valuation of IFRS16 Leases, Pension Liability, and Property, Plant and Equipment)

1. We confirm that the significant judgments made in making the above estimates have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the above accounting estimates.
3. We confirm that appropriate specialized skills or expertise has been applied in making the property, plant and equipment and pensions liability accounting estimates.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimates, including those describing estimation uncertainty, are complete

and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

5. We confirm that appropriate specialised skills or expertise has been applied in making the above accounting estimates.
6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements.

K. Ownership of Assets

1. Except for assets capitalised under finance leases, the Authority has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collateral, other than those that are disclosed in the notes to the financial statements. All assets to which the Authority has satisfactory title appear in the balance sheet.
2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the financial statements.
3. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
4. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. Except as disclosed in the notes to the financial statements, we have no other line of credit arrangements.

L. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours sincerely

(Director of Finance)

(Chair of Risk, Audit and Governance)