

West Yorkshire Fire and Rescue

Auditor's Annual Report for the year 2022/23

Issued on 26 November for meeting on 13 December 2024

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Key Messages

Audit report on the financial statements

2022/23 We expect to issue the audit report with a disclaimer of opinion on the 2022/23 financial statements on 13 December 2024, in accordance with the national ‘backstop’ provisions established by the Accounts and Audit (Amendment) Regulations 2024, and National Audit Office’s Code of Audit Practice.

The Authority’s arrangements to secure Value for Money in the use of resources

Financial year	Risk assessment	Conclusion
2022/23	No risk of significant weakness	No significant weaknesses identified

Purpose of this report

Our Auditor's Annual Report presents our commentary on West Yorkshire Fire and Rescue Authority's ('the Authority') arrangements to secure economy, efficiency and effectiveness in the use of resources ('Value for Money', 'VfM'), for the year ended 31 March 2023.

We prepared this report in accordance with the National Audit Office's ("NAO") 2024 Code of Audit Practice, and its supporting Local Audit Reset and Recovery Implementation Guidance, and Auditor Guidance Notes ('AGNs'). These are available from the NAO website. This report fulfils the requirements of the Accounts and Audit Regulations for an Annual Audit Letter.

Our VfM commentary is based on our assessment of the adequacy of the arrangements the Authority has put in place. The extent of our work is determined by our risk assessment, and whether we have identified any risks of significant weakness in arrangements. The commentary does not consider the adequacy of every arrangement the Authority has in place, nor does it provide positive assurance that the Authority is delivering, or its services represent, value for money.

We have not identified any significant weaknesses in the Authority's VfM arrangements, and so have not reported any recommendations in respect of significant weaknesses.

Explanation of the backstop arrangements and disclaimers of opinion

There is a significant backlog in the publication of audited accounts of local authorities in England. National bodies have been working together to address the backlog, as summarised in the Financial Reporting Council's accessible guide to the overall programme of work, [Local Audit Backlog - Rebuilding Assurance](#).

The government has introduced a legislative backstop date by which local authorities must publish their final accounts, including the audit report, even if the financial statement audit is not yet complete. For financial years up to 2022/23, the backstop date is 13 December 2024. The Financial Reporting Council has published an accessible guide to the overall programme of work to recover the backlog of local authority audits.

The backstop date limited the time available to complete our financial statement audit, and obtain sufficient, appropriate audit evidence to form an opinion for the financial year 2022/23. These limitations are significant and pervasive in extent, and auditing standards therefore require us to issue a disclaimer of opinion in our audit report for the financial year 2022/23.

Our audit report explains that our disclaimer of opinion is due to the backstop. We reported the extent of work performed, and findings, to the Audit Committee on 13 December 2024.

Auditor's work on Value for Money arrangements

The Section 151 Officer and the Authority are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money.

The Authority is required to annually review the effectiveness of the system of internal control, including VfM arrangements, and report upon this as part of their Annual Governance Statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied that proper arrangements have been made to secure economy, efficiency and effectiveness in the use of resources. The National Audit Office's Code of Audit Practice sets out three reporting criteria for the auditor to consider. Under the backstop provisions, the areas to consider in respect of these criteria have been amended, and we are not required to report against 'improving economy, efficiency and effectiveness'.

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

Governance *How the body ensures that it makes informed decisions and properly manages its risks*

In this report, we set out the findings from the work we have undertaken. Where we have found significant weaknesses in arrangements, we make recommendations so that the Authority can consider them and set out how it plans to make improvements. We have not identified any significant weaknesses in arrangements. In planning and performing our work, we consider the arrangements that we expect bodies to have in place, and potential indicators of risks of significant weaknesses in those arrangements.

We performed a range of procedures to inform our VfM commentary, including:



Interviews with key stakeholders within the organisation.



Review of Authority and committee reports and attendance at committee meetings.



Reviewing reports from third parties including internal audit.



Review of the Authority's Annual Governance Statement.

VfM arrangements: Financial Sustainability

Approach and considerations

We have considered how the Authority plans and manages its resources to ensure it can continue to deliver its services, including:

- How the Authority ensures 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; and
- How the Authority identifies and manages risks to financial resilience, including challenge of the assumptions underlying its plans.

Commentary

As at 31 March 2023, the Authority has net liabilities of £1,018m (2021/22: £1,474m) which is driven by the pension scheme liability of £1,115m (2021/22: £1,567m) as a result of the Firefighter's Pension Scheme being an unfunded scheme. Excluding the net liability related to defined benefit pension schemes, the Authority has net assets of £97.4m (2021/22: £92.8m).

The Authority has a cash and cash equivalents balance at the end of 2022/23 of £31.3m (2021/22: £32.1m) and short term investments of £15.0m (2021/22: £15.0m).

The Authority has a total of £41.4m (2021/22: £43.1m) in usable reserves at the year-end, suggesting prudent historic financial planning, which is supported by an approved reserves strategy. For the year ended 31 March 2023, the Authority reported a deficit on the provision of services of £19.4m (2021/22: £7.7m) which, in both years, is dominated by the interest cost on pensions of £41m (2021/22: £31m). The Authority has a reserves strategy, which is approved annually, and sets out the planned usage of earmarked reserves, primarily to support the revenue budget and predominantly to fund property new builds and major refurbishments.

As part of the Authority's identification and management of risk relating to financial resilience, a foreseeable risk register is operated across multiple areas and also considers the financial impact of them. The Authority is part of the West Yorkshire Local Resilience Forum (WYLRF) which considers the UK National Risk Register produced by the Cabinet Office. The WYLRF develop a local risk register which reflects how the risks could manifest in West Yorkshire. The Authority also participates in the Community Risk Management Plan which sets out how local resources will be managed and how the impact of these risks will be mitigated. The Authority ran a ten week consultation period in relation to their Community Risk Management Plan (CRMP) "Your Fire and Rescue Service 2022-2025". The CRMP sets out the work that the Authority will carry out over the period 2022-2025 to manage and reduce fire related risks and other emergencies. The Authority received 557 responses from the consultation which were used to refine the draft CRMP prior to approval by Full Authority on 30 June 2022.

VfM arrangements: Financial Sustainability (continued)

Commentary (continued)

The Authority communicates its budget to the general public and stakeholders via its website. The development of the annual budget is governed by the established financial planning process with events scheduled throughout the year with differing stakeholders to facilitate this. The budgeting process is led by the Chief Finance and Procurement Officer. The Authority holds an Organisational Planning day which is then followed by presentations of director approved capital and revenue bids at Star Chamber. These reports include information on capital / revenue bids / growth / savings / budget and pay awards. Capital bids are governed by a policy and subject to varying levels of approval within the Authority depending on their quantum and this approval is through Management Board or Finance and Resources Committee. As part of the budget preparation and scrutiny by members, the Authority considers a range of scenarios. This includes: a standstill budget; a 5% reduction in funding; a 10% reduction in funding; a precept freeze; and a 2.99% increase in the precept. Members are also provided with information on directorate budgets. The budget is subject to presentation to members, scrutiny and challenge before ultimately approval at Full Authority annually in February.

VfM arrangements: Governance

Approach and considerations

We have considered how the Authority ensures that it makes informed decisions and properly manages its risks, including:

- How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships; and
- How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from the audit committee.

Commentary

The Authority has an established risk management process in place, overseen by the Risk Management Strategy Group, and this includes a Risk Management Strategy and associated Risk Registers. We previously reported that the Authority's scoring methodology for risk ratings for both likelihood and severity which was approved by the Authority in March 2011 and so the Authority should: 1) review the severity ratings used within the risk register to ensure that they remain appropriate; and 2) review the likelihood ratings as the current bandings may result in risks congregating within the probable range. During 2022/23, a review of the scoring scales was conducted and the Authority approved removing the percentages from the scoring scales with only descriptors retained for the future. The Authority also reviewed the risks which congregated around the probable range, and the overall number of risks at the Authority reduced from 55 to 44.

The Authority has a Service Level Agreement with Kirklees Council in relation to areas such as Internal Audit and transaction processing. This arrangement has been in place for a number of years and is subject to annual review and scrutiny by the Chief Finance and Procurement Officer and is supplemented by quarterly meetings to review the contract performance.

The Authority has a series of policies covering internal controls, which include a whistleblowing and anti-money laundering policy. The policies are available on the Authority's website.

The Audit Committee is responsible for approving the annual Internal Audit plan and it receives updates at the Committee meetings throughout the year. The Internal Audit opinion for the year was that the systems and procedures provide effective systems of management control enabling the Authority to provide an efficient, effective and economic service to the public of West Yorkshire.

VfM arrangements: Governance (continued)

Commentary (continued)

The Authority has a number of staff policies in place including a code of conduct, which is set out within the Constitution which is accessible via the Authority's website. The Authority facilitates open engagement with staff through its "Let's Talk" briefings which are chaired by DCFO Dave Walton, with the rest of the Management Board in attendance. Staff are encouraged to send in questions to the Management Board, and they are able to be submitted either anonymously or with their name attached to facilitate discussion and challenge from employees.

To support the monitoring of the financial budget, the Authority produces a Budget Monitoring Report each month which is issued to budget holders. This report is RAG rated and where movements are not meeting the metric set by the Authority an explanation is required to be provided by the budget holder to the Chief Finance and Procurement Officer. To support this process meetings are also held with budget holders to discuss and review variances at account code levels. Additionally, during June 2022, the Authority set up a Budget Monitoring Management Group which considers on a cyclical basis: 1) capital monitoring reports; 2) the closure of capital schemes; 3) revenue budget monitoring report; and 4) budget review across both revenue and capital.

Purpose of our report and responsibility statement

What we report

Our report fulfils our obligations under the Code of Audit Practice to issue an Auditor's Annual Report that includes our commentary on arrangements to secure value for money, and recommendations in respect of identified significant weaknesses in the Authority's arrangements.

The scope of our work

Our observations are developed in the context of our **audit work**.

We described the scope of our work in our report to the Audit Committee.

Use of this report

This report has been prepared for the Authority, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.

What we don't report

Our audit was not designed to identify all matters that may be relevant to the Authority.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed under the Code of Audit Practice.

Deloitte LLP

Newcastle upon Tyne | November 2024

Appendix 1: Authority's responsibilities

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Finance and Procurement Officer, as Section 151 Officer of the Authority, is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting. In preparing the Statement of Accounts the Chief Finance and Procurement Officer is required to select suitable accounting policies and make judgements and estimates that are reasonable and prudent. The Chief Finance and Procurement Officer is required to confirm that the Statement of Accounts, taken as a whole, is fair, balanced, and understandable, and provides the information necessary for tax payers, regulators and stakeholders to assess the Authority's performance, business model and strategy.

The Chief Finance and Procurement Officer is required to comply with the CIPFA Code of Practice and prepare the financial statements on a going concern basis, unless the Authority is informed of the intention for dissolution without transfer of services or function to another entity. In applying the going concern basis of accounting, the Chief Finance and Procurement Officer has applied the 'continuing provision of services' approach set out in the CIPFA code of practice as it is anticipated that the services the Authority provides will continue into the future.

The Chief Finance and Procurement Officer and Authority are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the Authority's resources, for ensuring that the use of public funds complies with the relevant legislation, delegated authorities and guidance, for safeguarding the assets of the Authority, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Accounts and Audit (Amendment) Regulations 2024 establish a backstop date by which the Authority is required to publish its Statement of Accounts (other than in specific circumstances).

Appendix 2: Auditor's responsibilities

Auditor's responsibilities relating to the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under the Code of Audit Practice and the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the guidance, published by the Comptroller & Auditor General in November 2024, as to whether the Authority has proper arrangements for securing economy, efficiency and effectiveness in the use of resources. Under the 2024 Code of Audit Practice, our work for 2022/23 has only considered arrangements in respect of two reporting criteria (financial sustainability and governance), in line with the national requirements for audits affected by the backstop arrangements.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the Authority a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year. Other findings from our work, including our commentary on the Authority's arrangements, are reported in our Auditor's Annual Report.

Auditor's responsibilities for the audit of the financial statements

Where it is not possible to complete the audit of the financial statements by the relevant "backstop" date established by the Accounts and Audit (Amendment) Regulations 2024, the auditor is required to issue an audit opinion with a limitation of scope or with a disclaimer of opinion (depending on the extent of assurance it is possible to obtain by that date).

A description of our responsibilities for the audit of the financial statements is located on the FRC's website at:

www.frc.org.uk/auditorsresponsibilities.

Auditor's other responsibilities

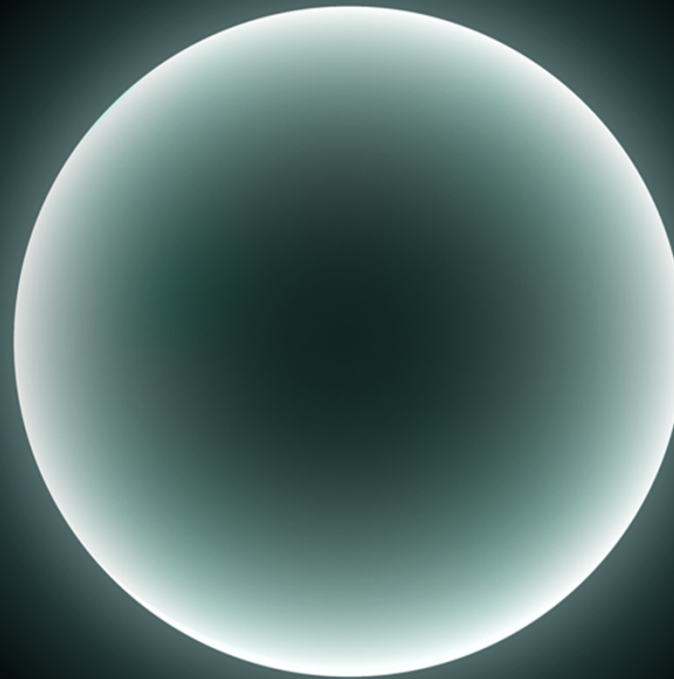
We are also required to report to you if we exercise any of our additional reporting powers under the Local Audit and Accountability Act 2014 to:

- make a written recommendation to the Authority, copied to the Secretary of State;
- make a referral to the Secretary of State if we believe that the Authority or an officer of the Authority is: about to make, or has made, a decision which involves or would involve the Authority incurring unlawful expenditure; or about to take, or has begun to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- issue a report in the public interest.

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West Yorkshire Fire and Rescue Service

Report to the Audit Committee on the 2022/23 audit – issued on 26 November for meeting on 13 December 2024

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Executive summary

The key messages in this report:

In this report, we present the results of the work we have performed as appointed auditor to West Yorkshire Fire and Rescue (the Authority) for 2022/23.

Statement of Accounts

Local authorities are required by the Accounts and Audit (Amendment) Regulations 2024 to publish their financial statements and audit reports by a legislative ‘backstop’ date. This is 13 December 2024 for financial years up to 31 March 2023. The introduction of the backstop has limited our ability to complete our financial statement audit work, as detailed in our Planning Report to the Committee dated 7 October 2024. The time available prevents us from obtaining sufficient, appropriate audit evidence to form an opinion before the backstop date for the financial year 2022/23. These limitations are significant and pervasive in extent, and auditing standards therefore require us to issue a disclaimer of opinion in our audit report for the financial year 2022/23.

The Financial Reporting Council has published an accessible guide to the overall programme of work to recover the local authority accounts backlog, [Local Audit Backlog - Rebuilding Assurance](#), and the implications of disclaimers of opinion for future years.

We have performed the procedures outlined in our planning report (see pages 7 to 8), reflecting the Local Audit Reset and Recovery Implementation Guidance.

Our audit report will explain that the disclaimer of opinion is necessary due to the backstop provisions.

Value for Money procedures

Our Value for Money work is complete (see page 9). Our Value for Money commentary is included in the accompanying Auditor’s Annual Report. We have not identified any risks of significant weakness in arrangements to secure economy, efficiency and effectiveness in the use of resources.

We have no matters to report by exception in our financial statement audit report.

Executive summary (continued)

The key messages in this report (continued):

Internal control findings	<p>In our 2021/22 ISA260 report to the Audit Committee, dated 4 July 2024, we reported a number of deficiencies in internal control and made recommendations to address them. We have not performed our usual procedures on internal controls, and have not performed procedures to evaluate the extent to which management has implemented our prior year recommendations when producing the 2022/23 Statement of Accounts.</p> <p>However, we highlight the importance of the control environment over the preparation and review of the financial statements for the recovery of timely financial reporting for the Authority in future years. Therefore, the Audit Committee may wish to receive an update from management on progress against our previous recommendations as part of future approvals of Statement of Accounts.</p>
Duties as public auditor	<p>We did not receive any queries or objections from local electors regarding the financial year 2022/23.</p> <p>We have not identified any matters requiring us to issue a public interest report.</p> <p>We have not exercised any other audit powers under the Local Audit and Accountability Act 2014.</p>
Interaction with the incoming auditor	<p>The Authority published its draft 2023/24 statement of accounts for inspection on 2 June 2024, compared to a required publication date of the first working day of July 2024. The backstop date for the 2023/24 audit is 28 February 2025.</p> <p>We will co-operate with Grant Thornton, your appointed auditor for 2023/24 onwards, in the handover of the audit of the Authority.</p>

Why we cannot issue an audit opinion

Our audit report will include a disclaimer of opinion, as we have not been able to obtain sufficient, appropriate audit evidence on which to base an opinion

Explanation

The introduction of the 'backstop' date has limited the scope of our financial statement audit work. The time available prevents us from obtaining sufficient, appropriate audit evidence to form an opinion before the backstop date.

Because we have not performed testing, the possible effect on the financial statements of undetected misstatements, if any, could be both material and pervasive.

Auditing standards require us to issue a 'disclaimer of opinion' in this situation. The disclaimer applies to the whole of the financial statements. It means that readers should not rely on our audit work when using the financial statements.

How the disclaimer affects our audit report

Our audit report is required to explain the reasons that gave rise to the disclaimer. The backstop is a limitation upon our audit due to legislative reasons, and we will explain this in our audit report.

Even with a disclaimer of opinion, we are still required to report any known, material issues in the financial statements. We have not identified any such matters to report.

While audit reports typically include commentary on the use of the going concern basis for preparing the financial statements, this commentary is not included when a disclaimer of opinion is issued.

Because of the timing of the statutory backstop, we have not planned or performed procedures to address the risk of fraud or non-compliance with laws and regulations. We will state this in our audit report. There are no matters that have come to our attention from our other work that we consider necessary to report upon in respect of fraud or non-compliance with laws and regulations.

ISA required reporting

ISA 260 requires to communicate with those charged with governance:

- Significant difficulties, if any, encountered during the audit; and
- Any other significant matters arising during the audit that, in our professional judgement, are relevant to your oversight of the financial reporting process.

Our reporting in respect of the backstop fulfils this in respect of this significant matter.

We do not have any matters to report that represent significant difficulties (given the legislative nature of the backstop).

We have made a number of control recommendations in previous years which reflect improvements needed in the financial reporting process. These recommendations will need to be addressed to ensure timely financial reporting and audit for future periods.

Impact on our audit report

The relevant sections of our audit report for 2022/23 are set out below:

The relevant sections of our 2022/23 audit report are set out below.

Disclaimer of opinion

We do not express an opinion on the accompanying financial statements of West Yorkshire Fire and Rescue Authority ('the Authority') for the year ended 31 March 2023. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements...

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 ("the Regulations") require the Authority to publish its statement of accounts, together with the audit report for the year ended 31 March 2023 by 13 December 2024.

The Authority was required by the Audit and Accounts Regulations (2015) to publish its draft statement of accounts for the year ended 31 March 2023 for public inspection by the first working day of June 2023. The Authority published its draft Statement of Accounts on 31 May 2023. Following the introduction of the Regulations, there was insufficient time to complete the necessary audit work to form an audit opinion

As a result, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded items within the financial statements.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct our audit in accordance with International Standards on Auditing (UK), the Code of Audit Practice, the Local Audit and Accountability Act 2014 and applicable law and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

Because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements, including in respect of detection of any non-compliance with laws and regulations, including fraud.

Summary of work performed: audit procedures and findings

We have completed the procedures set out in our planning report

Overview of procedures performed

The table below shows our planned procedures (as per our planning report dated 7 October 2024) and our findings.

Financial statement procedures	Findings
We obtained an understanding of management’s process for the preparation of the financial statements, including any updates to the originally published accounts necessary for findings from previous audits.	No issues identified that require reporting to the Audit Committee.
We reviewed the draft financial statements, including performing overall analytical procedures.	From our review of the draft financial statements, we noted a number of queries. Management has addressed these satisfactorily through updates to the draft financial statements.
We agreed the primary statements (comprehensive income and expenditure statement, balance sheet, statement of cashflows, and movement in reserves statement), to supporting accounting records.	No issues identified that require reporting to the Audit Committee.
We agreed the opening balances and comparative figures to the prior year financial statements.	No issues identified that require reporting to the Audit Committee.
We performed a “call and cast” of the financial statements for internal consistency and arithmetic accuracy.	Our procedures identified a small number of differences which have been amended by management in the updated financial statements.
We reviewed the Statement of Accounts for compliance with the CIPFA code.	No issues identified that require reporting to the Audit Committee.

Summary of work performed: audit procedures and findings (continued)

Other planned procedures	Findings
Fraud inquiries	
We inquired of the Section 151 Officer and the Audit Committee Chair, as to their knowledge of any fraud or allegations thereof affecting the Council for the period. Due to the timing of the statutory backstop, we have not been able to perform the other fraud-related procedures required by auditing standards.	Our inquiries did not identify any instances of fraud or allegations of fraud.
Compliance with laws and regulation	
We inquired of the Section 151 Officer and the Audit Committee Chair, as to their knowledge of any instances of non-compliance with laws or regulation for the period. We reviewed correspondence with HMICFRS. Due to the timing of the statutory backstop, we have not been able to perform the other procedures related to non-compliance with laws and regulations required by auditing standards.	Our inquiries did not identify any instances of non-compliance with laws and regulations. Our review of correspondence with regulators did not identify any instances of non-compliance with laws and regulations.
Overall audit procedures that also impact upon our Value for Money procedures	
We reviewed the minutes of the Authority and its principal committees for the period. We reviewed the Internal Audit reports for the period.	Our procedures did not identify any issues in respect of the financial statements requiring reporting.
Annual Governance Statement	
We reviewed the Council's Annual Governance Statement to determine whether it is misleading or inconsistent with other information known to us from our audit work (including from our Value for Money procedures).	We did not identify any inconsistencies with other information known to us from our procedures. The Annual Governance Statement has not been updated through to the date of signing the audit opinion and we have therefore included this as a disclosure deficiency.
Subsequent events	
We inquired of management whether there are any subsequent events that affect the open years of account, and if so whether and how they have been reflected in the financial statements.	No subsequent events, as set out in note 7 of the Statement of Accounts, have been identified by management.

Other matters for your consideration

Materiality

Although the extent of planned procedures does not include testing of balances, we are required to determine materiality to evaluate any identified misstatements (and so whether the financial statements are materially misstated).

We have set materiality based on gross expenditure per the draft financial statements, and the threshold above which we report misstatements to the you, as:

Financial year	Materiality	% of gross expenditure	Reporting threshold
2022/23	£2,443k	2%	£122k

Significant risks

We have not completed the risk assessment procedures required by ISAs to identify significant risks for the financial years subject to audit, or performed procedures to respond to identified risks of material misstatement. The significant risks which we had identified in respect of the 2021/22 audit, and for which the Audit Committee may wish to consider the internal assurances in place in respect of for the open years of account, were:

- Management override of controls (a presumed risk for all audits);
- Completeness of expenditure; and
- Valuation of property assets

We had rebutted the presumed risk of fraud in revenue recognition for 2021/22, but have not determined whether this would be a risk for subsequent years.

The Audit Committee may wish to consider the internal assurances in place, within the Authority, in respect of these risks for the 2022/23 Statement of Accounts.

Value for Money: procedures performed

Our Value for Money commentary will be included in our Auditor's Annual Report

Value for Money requirements

We are required to consider the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources. Under the revised requirements of the Code of Audit Practice 2024 and related Auditor Guidance Note 03 ('AGN03'), we are required to:

- Perform work to understand the Authority's arrangements to secure economy, efficiency and effectiveness in the use of resources against two reporting criteria (financial sustainability and governance, with improving economy, efficiency and effectiveness not a required criterion for audits up to 31 March 2023);
 - Perform a risk assessment to identify whether there are any risks of significant weaknesses in arrangements;
 - If any risks of significant weaknesses are identified, perform procedures to determine whether there is in fact a significant weakness in arrangements, and if so to make recommendations for improvement;
 - Issue a narrative commentary in the Auditor's Annual Report, setting out the work undertaken in respect of the reporting criteria and our findings, including any explanation needed in respect of judgements or local context for findings. If significant weaknesses are identified, the weaknesses and recommendations will be included in the reporting, together with follow-up of previous recommendations and whether they have been implemented. Where relevant, we may include reporting on any other matters arising we consider relevant to Value for Money arrangements, which might include emerging risks or issues arising; and
 - Where significant weaknesses are identified, report this by exception within our financial statement audit report.
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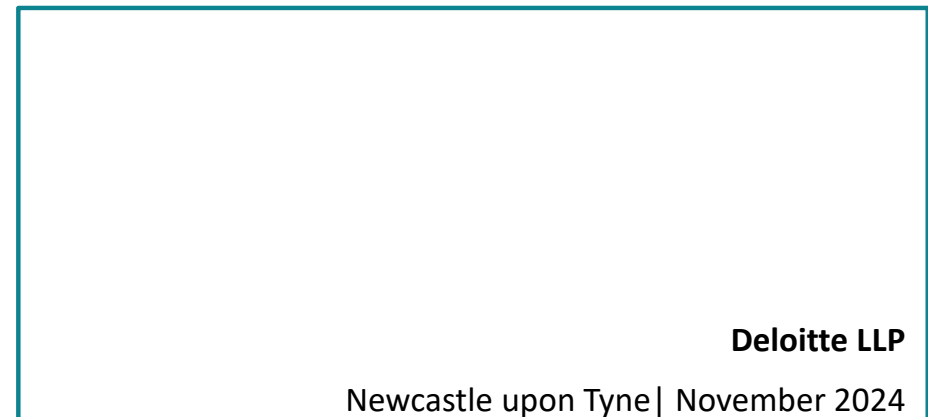
Status of our work

We have completed our Value for Money work. Our Value for Money commentary is included in the accompanying Auditor's Annual Report. We have not identified any significant weaknesses as part of the work we have performed.

Purpose of our report and responsibility statement

Our report sets out the work we have performed and the impact of the backstop provisions upon our audit.

This report has been prepared for the Audit Committee and the Authority, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. Except where required by law or regulation, it should not be made available to any other parties without our prior written consent.



Appendices



Audit adjustments

Unadjusted misstatements - 2021/22

As part of the 2021/22 audit we identified the following misstatements which remained uncorrected in the final signed accounts.

		Debit/ (credit) income statement £m	Debit/ (credit) in net assets £m	Debit/ (credit) OCI/Equity £m
Misstatements identified in current year				
Understatement of depreciation	[1]	0.385		(0.385)
Unrecorded liabilities	[2]	0.138	(0.138)	
Prepayment and creditor transactions	[3]	(0.135) 0.135		
Analysis error across headings in note 13	[4]	0.275 (0.275)		
Misstatements identified in prior years				
Cumulative impact in the current period of prior year errors		(0.484)	(0.128)	1.578 (0.966)
Total		0.039	(0.266)	0.227

[1] This is the impact of not applying componentisation.

[2] This is an extrapolated error from two factual errors where an invoice relates to the current period but has not been accrued.

[3] As part of our unrecorded liability testing we identified that management have recorded both a creditor and prepayment for liabilities that do not relate to the current period and the payment from bank was not made pre year-end.

[4] There is an analysis error across headings within note 13 between Council Tax income and Non-Domestic Rates.

Audit adjustments (continued)

Unadjusted misstatements

Disclosure misstatements

The following uncorrected disclosure misstatements have been identified up to the date of this report which we request that you ask management to correct as required by ISAs (UK).

Disclosure

Annual Governance Statement

The Annual Governance Statement has not been updated to the point of signing the financial statements.

Numeric misstatements

We have not identified any numeric misstatements as a result of our limited procedures.

Independence and fees

As part of our obligations under International Standards on Auditing (UK), we are required to report to you on the matters listed below:

Independence confirmation	We confirm the audit engagement team, and others in the firm as appropriate, Deloitte LLP and, where applicable, all Deloitte network firms are independent of the Authority and our objectivity is not compromised.
Audit fees	Public Sector Audit Appointments Ltd (PSAA) set the scale fee for the audit of the Authority for 2022/23 at £26,523. This scale fee has not reflected the actual scope and cost of performing the audit of the Authority, including the additional Value for Money requirements from 2020/21 onwards, and therefore this would have been subject to fee variations if the audit had not been impacted by the backstop provisions. PSAA has not yet published details of how it plans to adjust the scale fee to reflect the actual costs of audits which are affected by the backstop, and so any adjustment that will be made to this scale fee amount is currently unknown.
Non-audit services	There are no non-audit services we have provided in respect of the financial years 2022/23. In our opinion there are no inconsistencies between the FRC's Ethical Standard and the Authority's policy for the supply of non-audit services or any apparent breach of that policy. We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.
Relationships	We have no other relationships with the Authority, its members, officers and affiliates, and have not supplied any services to other known connected parties.

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