

Horsham District Council Audit results report

Year ended 31 March 2024

11 February 2025





Audit Committee
Horsham District Council
Parkside, Chart Way Horsham
West Sussex RH12 1RL

11 February 2025

Dear Audit Committee Members

2023/24 Audit results report

We are pleased to attach our audit results report, summarising the status of our audit for the forthcoming meeting of the Audit Committee. We will update the Audit Committee at its meeting scheduled for 19 February 2025 on further progress to that date and explain the remaining steps to the issue of our final opinion.

The audit is designed to express an opinion on the 2023/24 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on Horsham District Council (the Council) accounting policies and judgements and material internal control findings.

This report considers the impact of Government proposals, which have now been enacted through secondary legislation, to clear the backlog in local audit and put the local audit system on a sustainable footing. The proposals recognise that timely, high-quality financial reporting and audit of local bodies is a vital part of our democratic system. Not only does it support good decision making by local bodies, by enabling them to plan effectively, make informed decisions and manage their services, it ensures transparency and accountability to local taxpayers. All stakeholders have a critical role to play in addressing the audit backlog.

The Audit Committee, as the Council'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 Council's wider arrangements to support the delivery of a timely and efficient audit. We will consider and report on the adequacy of the Council's external financial reporting arrangements and the effectiveness of the audit 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.

Given that Statutory Instrument 2024/907 "The Accounts and Audit (Amendment) Regulations 2024 ("SI 2024/907") imposes a backstop date of 28 February 2025 by which date we are required to issue our opinion on the financial statements, we have considered whether the time constraints imposed by the backstop date mean that we cannot complete all necessary procedures to obtain sufficient, appropriate audit evidence to support the opinion and fulfil all the objectives of all relevant ISAs (UK).

We have also taken into account SI 2024/907 and Local Authority Reset and Recovery Implementation Guidance Notes issued by the National Audit Office and endorsed by the Financial Reporting Council, together with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.

We issued a disclaimed audit report on the Council's financial statements for 2022/23 under the arrangements to reset and recover local government audit. Although we have commenced limited work to rebuild assurance ahead of the 2023/24 backstop date, we have not obtained sufficient evidence to be able to conclude that the financial statements are free from material and pervasive misstatement. Taken together with the requirement to conclude our work by the 2023/24 back stop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2023/24 financial statements are free from material and pervasive misstatements. We therefore anticipate issuing a disclaimed 2023/24 audit opinion.

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

Yours faithfully

Hassan Rohimun

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 Audit Committee and management of Horsham District Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee and management of Horsham District Council 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 Audit Committee and management of Horsham District Council 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 – Department for Levelling-up, Housing and Communities (DLUHC) and Financial Reporting Council (FRC) measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of our 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;
- Lack of capacity within audit firms with public sector experience;
- Increased regulatory pressure on auditors, which in turn has increased the scope and extent of audit procedures performed.

MHCLG (formerly DLUHC) has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop and implement measures to clear the backlog. SI 2024/907, together with the updated National Audit Office Code of Audit Practice 2024 and the Local Authority Reset and Recovery Implementation Guidance, have all been developed to ensure auditor compliance with International Standards on Auditing (UK) (ISAs (UK)). 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.
- ▶ 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 2023/24 financial statements is 28 February 2025.
- ▶ Phase 3: Reform involving addressing systemic challenges in the system and embedding timely financial reporting and audit.

We issued a disclaimed audit report on the Council's financial statements for 2022/23 under these arrangements to reset and recover local government audit. Although we have commenced limited work to rebuild assurance ahead of the 2023/24 backstop date, we have not obtained sufficient evidence to have reasonable assurance over all closing balances. As a result of the 2022/23 disclaimed audit report, we do not have assurance over the brought forward balances from 2022/23 (the opening balances). This means we do not have assurance over 2023/24 in-year movements and some closing balances. We also do not have assurance over the 2022/23 comparative amounts disclosed in the 2023/24 financial statements. Taken together with the requirement to conclude our work by the 2023/24 back stop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2023/24 financial statements are free from material and pervasive misstatement of the financial statements. We therefore anticipate issuing a disclaimed 2023/24 audit opinion.

A summary of the assurances we have gained from our 2023/24 audit procedures is set out at Appendix A.



Executive Summary – Context for the audit (cont'd)

Expected modification of the audit report

As reported in our 27 November 2024 Audit Completion Report to Those Charged with Governance, we issued a disclaimed audit report on the Authority's 2022/23 financial statements under the Government's legislative arrangements to reset and recover local government audit (Statutory Instrument (2024) No. 907 - "The Accounts and Audit (Amendment) Regulations 2024", Local Authority Reset and Recovery Implementation Guidance). The reasons for the 2022/23 disclaimed audit report were set out in the aforementioned 2022/23 Audit Completion Report.

As set out within this report we have been able to complete our planned programme of work, obtaining the planned assurances over closing balances and in-year transactions.

However, as a result of the 2022/23 disclaimed audit report, we do not have assurance over the brought forward balances from 2022/23 (the opening balances). This means we also do not have assurance over a number of 2023/24 in-year movements that depend on those opening balances, and therefore some closing balances (particularly Reserves). We also do not have assurance over the 2022/23 comparative amounts disclosed in the 2023/24 financial statements. We did not plan to rebuild this assurance in our 2023/24 audit.

Appendix A of this report sets out the level of assurance we have been able to gain from the procedures that we have completed.

Taken together, and alongside the requirement to conclude the 2023/24 audit by the legislative back stop date of the 28 February 2025, the lack of evidence over these movements and balances mean we are unable to conclude that the 2023/24 financial statements are free from material and pervasive misstatement of the financial statements.

We therefore anticipate issuing a disclaimed 2023/24 audit opinion.

This is in line with the Government's legislative arrangements set out above and specifically the 'Recovery phase' of those arrangements and with guidance issued by the Financial Reporting Council (FRC) within their 'Accessible Guide' which sets out a minimum 3-year timeline to re-build audit assurances to gain full assurance over opening, closing balances and in year movements.

We will reflect on the impact of the areas where we did not gain our planned assurances in 2023/24, through our 2024/25 audit planning and set out our timeline for re-building audit assurance within our Audit Plan.



Executive Summary

Scope update

In our Audit Planning Report presented at the 10 July 2024 Audit 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:** We updated our planning materiality assessment using the draft financial statements and have also reconsidered our risk assessment. Based on our materiality measure of gross expenditure, we have updated our overall materiality assessment to £1.470 million (Audit Planning Report – £1.497 million). This results in updated performance materiality, at 75% of overall materiality, of £1.103 million, and an updated threshold for reporting misstatements of £74k.

Status of the audit

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

- ▶ Final Manager and Partner review;
- ▶ Review of the final version of the financial statements and Annual Governance Statement;
- ▶ Completion of subsequent events review to the date of the audit report; and
- ▶ Receipt of the signed management representation letter, financial statements and Annual Governance Statement.

A summary of the assurances we have gained from our 2023/24 audit procedures is set out at Appendix A.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Statement of Accounts which could influence our final audit opinion.

Value for Money

In our Audit Planning Report dated 10 July 2024, we reported that we had completed our value for money (VFM) risk assessment, and we 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.



Executive Summary (cont'd)

Audit differences

Management have agreed to amend the financial statements for the following misstatements:

- ▶ Grants - Section 31 Grant of £3.1m that was not spent, but paid back in 2023/24 to the grant body was erroneously debited against grant income instead of creditors.
- ▶ Pensions – Following a request from management for a revised IAS19 report, a £49.6m asset celling adjustment was required to the draft financial statements.
- ▶ Pensions - £0.786m changes in pension asset values identified by the pension fund auditor.

Management have corrected a number of disclosure misstatements.

There are number of unadjusted differences which have not been reflected in the financial statements:

- ▶ Investment properties – Our testing identified that investment properties were understated by £0.136m due to the valuations being based on incorrect source data (Incorrect lease periods, break clauses and rent amounts).
- ▶ Investment properties/Property, Plant and Equipment – Due to movement in indices from the last time the assets were valued to balance sheet date of 31 March 2024, management's assessment identified such assets are potentially understated by £0.178m.
- ▶ Provisions – Our testing identified that the NNDR provision was incorrectly calculated, resulting in the provisions of £0.361m being overstated in the collection fund statement, with the Council's share of provision being overstated by £0.144m. As a result of the provision being overstated, NNDR Levy is also understated by £0.072m.
- ▶ Investment – Our testing identified one investment had been overstated by £0.086m due to the investment not being updated to balance sheet date of 31 March 2024.

See Section 02 of this report for further details.

Other Reporting Issues

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

The NAO are yet to confirm if additional procedures are required following the release their group instructions for 2023/24 and therefore further work maybe required. We cannot issue our audit certificate until the NAO have confirmed that no further work is required.



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 Statement of Accounts of Horsham District Council. 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.

Fraud Risk: Misstatements due to fraud or error

- ▶ We have not identified any evidence that management has overridden controls in order to prepare fraudulent financial statement balances or postings within the financial statements. See Section 02 of this report for further details.

Fraud Risk: Risk of fraud in revenue and expenditure recognition, through inappropriate: capitalisation of revenue expenditure; or financing of revenue expenditure from capital resources

- ▶ We completed our work on the testing of REFCUS and additions made to property, plant and equipment/ investment properties during the year and have not identified any evidence of manipulation through inappropriate capitalisation or the financing of revenue expenditure from capital resources. See Section 02 of this report for further details.

Significant Risk: Valuation of Land and Buildings and Investment Property

- ▶ Following our testing of Land and Buildings and Investment Property valuations we:
 - ▶ Identified that investment properties were understated by £0.136m due to the valuations being based on incorrect source data (Incorrect lease periods, break clauses and rent amounts). Management has decided not to correct for this error.
 - ▶ Identified that there had not been a review of assets valued as part of the cyclical valuation process to assess if there were any changes in valuation from the 31 December 2023 valuation date and the balance sheet date of 31 March 2024. In addition we also identified that there was no assessment of whether there had been a change in valuation of assets not valued as part of the cyclical valuation in 2023/24. Following a review of the movement in indices management identified that such assets are potentially understated by £0.178m and concluded that no adjustment was required.
 - ▶ Identified that the valuation methodology for car parks valued in 2023/24 with asset value of £23.2m is potentially incorrect. There were questions regarding valuation methodology and we were unable to resolve this matter, to conclude whether there was misstatement before the backstop date and therefore we are unable to obtain assurance over the valuation of such car parks at 31 March 2024.

See Section 02 of this report for further details.

Inherent Risk: Pension asset valuation

- ▶ We completed our work on the testing on pension asset valuation and identified the impact of asset ceiling was not accounted for resulting in an overstatement of the pension net asset by £49.6m. The pensions fund auditor also identified overstatement of assets of £0.786m due changes in pension asset values. Management made corrections for these errors. See Section 02 of this report for further details.



Executive Summary (cont'd)

Areas of audit focus

We request that you review these and other matters set out in this report to ensure:

- ▶ There are no further considerations or matters that could impact these issues;
- ▶ You concur with the resolution of the issue; and
- ▶ There are no further significant issues you are aware of to be considered before the financial report is finalised.

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Audit Committee.

Control observations

During the audit, we identified a number of observations and improvement recommendations in relation to management's financial processes and controls. Full details setting out our observations is in Section 06 of this report.

Independence

Please refer to Section 08 for our update on Independence.

A close-up photograph of a person's hand holding a white marker, pointing at a bar chart displayed on a tablet. The chart features several bars in shades of green, yellow, and red, set against a blue grid background. The person is wearing a blue suit jacket and a dark tie.

02 Areas of Audit Focus

Areas of Audit Focus

Misstatements due to fraud or error

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?

Subject to the completion of outstanding procedures we have not identified any material weaknesses in controls or evidence of material management override.

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

We did not identify any other transactions during our audit which appeared unusual or outside the Council'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 standard procedures to address the fraud risk, which included:

- Identified fraud risks during the planning stages.
- Inquired of management about 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 (those that may arise from economic industry and operating conditions).
- 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 and other adjustments in the preparation of the financial statements.
- Undertook procedures to identify significant unusual transactions.
- Considered whether management bias was present in the key accounting estimates and judgments in the financial statements.

Having evaluated this risk, we have considered whether we need to perform other audit procedures not referred to above. We concluded that those procedures included under 'Risk of fraud in revenue and expenditure recognition, through inappropriate: capitalisation of revenue expenditure; or financing of revenue expenditure from capital resources' are required.



Areas of Audit Focus

Risk of fraud in revenue and expenditure recognition, through inappropriate: capitalisation of revenue expenditure; or financing of revenue expenditure from capital resources

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; or financing of revenue expenditure from capital resources.

What are our conclusions?

Subject to the completion of outstanding procedures we have completed our work on capital additions and REFCUS and have not identified any additions that were incorrectly capitalised or REFCUS items which did not meet the statutory definition.

Our testing of year end journals did not identify any movements from expenditure to capital outside of the normal course of business.

Our response to the key areas of challenge and professional judgement

We undertook the following standard procedures to address the fraud risk, which included:

- Tested Property, Plant and Equipment (PPE) / Investment Property (IP) 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.
- Tested REFCUS, if material, to ensure that it is appropriate for the revenue expenditure incurred to be financed from ringfenced capital resources.
- Seek to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

 Significant Risk

Areas of Audit Focus

Valuation of Land and Buildings and Investment Property

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

Management is required to make material judgmental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates. The Council's PPE and IP (fixed assets) account for the largest proportion of the Council's assets. The assets are valued using either an Existing Use Valuation (EUUV), Depreciated Replacement Cost (DRC) and/or Fair Value (FV) methodology which are subject to a number of assumptions and judgements by the management's expert. There is a risk that the use of inappropriate assumptions or methodologies may have a material impact on the financial statements, especially given high uncertainty in markets at present.

What are our conclusions?

Subject to the completion of outstanding procedures we identified that:

- Investment properties were understated by £0.136m due to the valuations being based on incorrect source data (Incorrect lease periods, break clauses and rent amounts).
- There had not been a review of assets valued as part of the cyclical valuation process to assess if there were any changes in valuation from the 31 December 2023 valuation date and the balance sheet date of 31 March 2024. In addition we also identified that there was no assessment of whether there had been a change in valuation of assets not valued as part of the cyclical valuation in 2023/24. Following a review of the movement in indices management identified that such assets are potentially understated by £0.178m and concluded that no adjustment was required.
- The valuation methodology for car parks valued in 2023/24 with asset value of £23.2m is potentially incorrect. There were questions regarding valuation methodology and we were unable to resolve this matter, to conclude whether there was misstatement before the backstop date and therefore we are unable to obtain assurance over the valuation of such car parks at 31 March 2024.

Our response to the key areas of challenge and professional judgement

We undertook the following standard procedures to address the significant risk, which included:

- Considered the work performed by the Council's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work.
- Engaged internal EY valuation specialists (EY Real Estate) to review the approach of the Council valuer, consider assumptions underpinning the valuation and to provide expected valuations for a sample of assets valued during the year.
- Considered the annual cycle of valuations to ensure that assets have been valued within a 5-year rolling programme for PPE and annually for IP as required by the Code.
- Considered if there are any specific changes to assets that should have been communicated to the valuer.
- Sampled test key inputs used by the valuer when producing valuations.
- Challenged the assumptions used by the Council's valuers by reference to external evidence and our EY valuation specialists.
- Tested a sample of assets revalued in year to confirm that the valuation basis is appropriate, and the accounting entries are correct.
- Reviewed assets that are not subject to valuation in 2023/24 to confirm the remaining asset base is not materially misstated at the balance sheet date.

Impact of prior year disclaimer

Although our testing has provided assurance over the material accuracy of the valuation of land and building as at 31 March 2024, we do not have full assurance over the overall value in the Council's Balance Sheet at that date as we have not tested additions and disposals in 2022/23 due to the opinion on that year being disclaimed. Therefore, we do not have assurance over the completeness and accuracy of movements in 2022/23 and the resulting asset base for 2023/24.

See Appendix A – Summary of assurances for further detail on assurance obtained in 2023/24.

 Significant Risk

Areas of Audit Focus

Other areas of audit focus

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

Pension asset valuation (inherent risk)

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by the Council. The Council's pension fund asset is a material estimated balance, and the Code requires that this asset be disclosed on the Council's balance sheet. At 31 March 2024 this totalled £88.2 million. The information disclosed is based on the IAS 19 report issued to the Council by the actuary. 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

We undertook the following standard procedures to address the risk, which included:

- Liaised with the auditors of West Sussex Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the Council.
- 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, and considering any relevant reviews 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.
- Reviewed and tested the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.
- Evaluated whether the recorded amount is adjusted for any effect of limiting a net defined benefit asset to the asset ceiling as required by the Code.

What are our conclusions?

The pension balance as at 31 March 2024 is an asset and as such requires application of an asset ceiling under IFRIC 14. The balances and disclosures relating to pensions in the draft statement of accounts was based on an initial IAS19 report without the impact of asset ceiling being considered. As a result, management requested an updated IAS19 report from the actuary which included the asset ceiling impact and this updated report showed that the draft statement of accounts were misstated by £49.6 million with the pension asset being overstated. We also engaged our EY actuarial specialists to review the asset ceiling calculation.

The pensions fund auditor also identified an overstatement of assets of £0.786m due to adjustments being made to the pension fund asset values as part of the production of the draft Pension Fund financial statements.

Management have amended the financial statements for these differences, further details can be found in Section 04 of this report.



03 Value for Money

Value for Money

The Authority's responsibilities for value for money (VFM)

The Council 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 Council 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

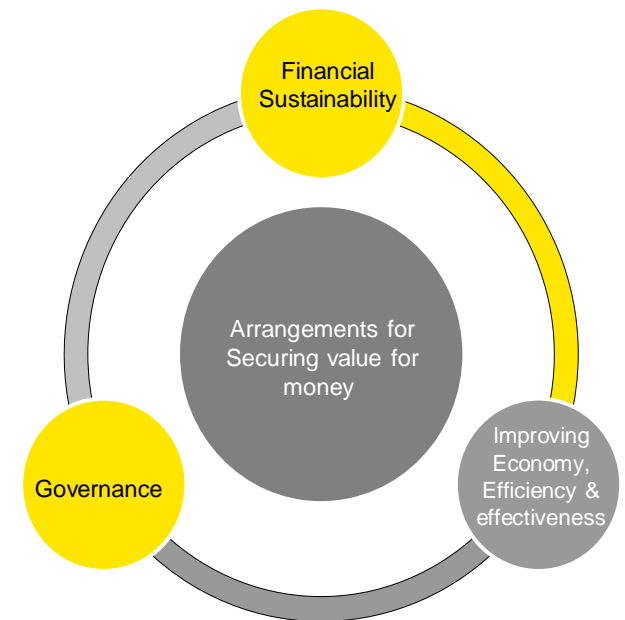
We are required to consider whether the Council has made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

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 Council'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 Council arrangements against three reporting criteria:

- ▶ Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services;
- ▶ Governance - How the Council ensures that it makes informed decisions and properly manages its risks; and
- ▶ Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

We have completed our detailed VFM work and identified no risks of significant weaknesses in arrangements.





04 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

Management have agreed to amend the financial statements for the following 'known' differences:

- ▶ Grants - Section 31 Grant of £3.1m that was not spent, but paid back in 2023/24 to grant body was erroneously debited against grant income instead of creditors.
- ▶ Pensions - £49.6m asset celling adjustment was not reflected in financial statements.
- ▶ Pensions - £0.786m changes in pension asset values identified by the pension fund auditor.

Management have corrected a number of disclosure misstatements.

In addition we highlight in the next slide misstatements to the financial statements and/or disclosures which were not corrected by management.

Audit Differences (cont'd)

Summary of adjusted differences

We highlight the following misstatement to the financial statements, greater than £74k, which were identified during the course of the audit and which have not been corrected by management. We ask that the Audit Committee request of management that these uncorrected misstatements be corrected or a rationale as to why they are not corrected be considered and approved by the Audit Committee and provided within the Letter of Representation:

Uncorrected misstatements 31 March 2024	Effect on the current period:		Net assets (Decrease)/Increase				
	OCI Debit/(Credit)	Income statement Debit/(Credit)	Assets current Debit/ (Credit)	Assets non- current Debit/ (Credit)	Liabilities current Debit/ (Credit)	Liabilities non-current Debit/ (Credit)	Reserves Debit/ (Credit)
Errors	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Known differences:							
▶ investment property valuations - Incorrect source data				136			(136)
▶ Investment - Investment not updated to balance sheet date of 31 March 2024.				(86)			86
▶ NNDR Provisions - Incorrectly calculated.		72			(72)	144	(144)
Judgemental differences:							
▶ Investment properties/Property, Plant and Equipment - movement in indices to balance sheet date of 31 March 2024				178			(178)
Balance sheet totals				228	(72)	144	(372)
Income effect of uncorrected misstatements		72					
Uncorrected disclosure misstatements							
Management have not corrected the collection fund statement in respect of an incorrect calculation of the NNDR provision of £361,000.							



05 Audit Report

Audit Report

Expected modifications to our audit report

As reported in our 2022/23 Audit Completion Report (27 November 2024), we issued a disclaimed audit report on the Council's financial statements for 2022/23 under the arrangements to reset and recover Local Government audit.

We anticipate completing our planned programme of work for 2023/24, but because of the gaps in assurance from 2022/23 we have not obtained sufficient evidence to be able to conclude that the financial statements are free from material and pervasive misstatement. We did not plan to rebuild this assurance in our 2023/24 audit.

Taken together with the requirement to conclude our work by the 2023/24 backstop date set by legislation, the lack of evidence over these movements and balances mean we are unable to conclude that the Authority's 2023/24 financial statements are free from material and pervasive misstatements.

We therefore anticipate issuing a disclaimed 2023/24 audit opinion. The form and content of the Audit Report will be shared with the Section 151 officer to enable you to formally authorise the 2023/24 financial statements for issue.



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:

- i. Significant deficiencies in internal control; and
- ii. Our views on the effectiveness of internal control relevant to risks that may affect financial reporting and other risks arising from the entity's business model and the effectiveness of related internal controls.

The table below provides an overview of the 'high' 'moderate' and 'low' rated observations we have from the 2024 audit.

	High	Moderate	Low	Total
New points raised in FY24	0	3	1	4
Total open points as at 31 March 2024	0	3	1	4

Key:

-  A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6-12 months.
-  Matters and/or issues are 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.
-  Matters and/or issues are 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.

The matters reported on the next slide are limited to those that we identified during the audit and that we concluded are of sufficient importance to merit being reported to you.

Assessment of Control Environment (cont'd)



Observation

1. The review of the Swan Walk valuation by our valuation specialists identified that there was an absence of consideration of factors such as current net income for each lease, tenancy schedules and future plans, which could have a material impact on the valuation.
2. We identified that the tenancy agreements and valuation lease schedules provided by the Council to the valuer were not up to date which resulted in inaccurate data being used for valuation purposes.
3. We identified whilst the valuation of assets is undertaken as at 31 December and rolled forwarded to the 31 March there was no assessment of whether there had been any significant changes in the final quarter of the year which may have impacted on the year end valuation.
4. We noted cases where the Energy Performance Certificates (EPCs) had expired and therefore there was a risk that assets did not comply with the minimum energy efficiency standard (MEES).

Recommendations

1. The Council should ensure that consideration is given to all relevant factors that are used for valuation purposes and that accurate and timely information is provided to the Council's valuer.
2. The Council should ensure that it maintains a single lease schedule and that the information contained in the schedule agrees to the underlying lease agreements.
3. Where the valuation date is before the year end the Council should there is an assessment of whether there has been any significant changes since the date of the valuation and the year end to establish if an amendment or revaluation is required.
4. The Council should ensure there are processes in place to monitor whether all properties are MEES compliant.

Management comment

Property and Finance will be responsible for incorporating these recommendations into, and improving, future valuation procedures, with as much as possible implemented into the 2024/25 valuation process, aiming to produce a single source of (cleansed) data.

Assessment of Control Environment (cont'd)



Observation

We identified that the Council did not undertake a regular review of users with access to Academy IT system, which may result in users still having access to the system when they are not authorised to do so.

Observation

We identified that balances for redundant accounts, which should be settled, were held within the balance sheet liability suspense accounts.

Recommendation

The Council should ensure that there is a regular review of users with access to the Academy IT system.

Recommendation

The Council should regularly review entries in the suspense accounts, to investigate the source and ensure that the suspense account are cleared on a periodic basis.

Management comment

This was an internal audit recommendation in Spring 2024 and the first review was undertaken in Q1 in 2024/25.

Management comment

Agreed. Finance and Revenues & Benefits has already starting to review the processes for appropriations and the use of suspense accounts.

Assessment of Control Environment (cont'd)



Observation

We identified that there is no clear basis for allocating salaries to relevant capital project codes as currently salaries are apportioned on a scoring basis rather than the actual time charged.

Recommendation

The Council should review the process for the capitalisation of salaries to the charges to individual projects reflect the actual time taken.

Management comment

Management will consider the recommendation and may finesse the current estimation and apportionment process, but as the Council no longer records time on timesheets, it will not be able to calculate actual time taken on a project.



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 Horsham District Council's Statement of Accounts 2023/24 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 Horsham District Council's Statement of Accounts 2023/24 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/is not consistent with other information from our audit of the financial statements, and we have no other matters to report.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

We have not yet performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as the NAO have not yet released their group instructions for 2023/24. We cannot issue our Audit Certificate until these procedures are complete.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Council to consider it or to bring it to the attention of the public (i.e. "a report in the public interest").

At the time of writing this report, we have not identified any issues which required us to issue a report in the public interest.

Other Reporting Issues (cont'd)

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- ▶ Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- ▶ Any significant difficulties encountered during the audit;
- ▶ Any significant matters arising from the audit that were discussed with management;
- ▶ Written representations we have requested;
- ▶ Expected modifications to the audit report;
- ▶ Any other matters significant to overseeing the financial reporting process;
- ▶ Findings and issues around the opening balance on initial audits (if applicable);
- ▶ Related parties;
- ▶ External confirmations;
- ▶ Going concern;
- ▶ Consideration of laws and regulations; and

We have no other matters to report.

Other Reporting Issues (cont'd)

ISA (UK) 315 (Revised): Identifying and Addressing the Risks of Material Misstatement

ISA 315 is effective from FY 2022/23 onwards and is the critical standard which drives the auditor's approach to the following areas:

- Risk Assessment
- Understanding the entity's internal control
- Significant risk
- Approach to addressing significant risk (in combination with ISA 330)

Given that we have disclaimed the 2022/23 audit of the financial statements we have undertaken ISA (UK) 315 (Revised) procedures for the first time in 2023/24.

The International Auditing & Assurance Standards Board (IAASB) concluded that whilst the existing version of the standard was fundamentally sound, feedback determined that it was not always clear, leading to a possibility that risk identification was not consistent. The aims of the revised standard is to:

- Drive consistent and effective identification and assessment of risks of material misstatement
- Improve the standard's applicability to entities across a wide spectrum of circumstances and complexities ('scalability')
- Modernise ISA 315 to meet evolving business needs, including:
 - how auditors use automated tools and techniques, including data analytics to perform risk assessment audit procedures; and
 - how auditors understand the entity's use of information technology relevant to financial reporting.
- Focus auditors on exercising professional scepticism throughout the risk identification and assessment process.

We set out the findings and conclusions from our work to implement ISA 315 in the table below.

Audit Procedures

We performed the following procedures:

We obtained an understanding of the IT processes related to the IT applications of the Council. The Council has 3 relevant IT applications (TechOne, Academy, Icon) for the purposes of our ISA 315 risk assessment. We performed procedures to determine if there are typical controls missing or control deficiencies identified. After determining which process is applicable to each relevant IT application, we reviewed the applicable processes for each IT application.

When we have identified controls relevant to the audit that are application controls or IT-dependent manual controls where we do not gain assurance substantively, we performed additional procedures.

We reviewed the following processes for the relevant IT applications:

- Manage vendor supplied changes
- Manage entity programmed changes
- Manage security settings
- Manage user access
- Job scheduling and managing IT process

Audit findings and conclusions

We have identified a control deficiency in relation to the manage user access on the Academy IT application. We noted that regular review of users with access to Academy is not undertaken, we have made a recommendation in section 06.

Other than the above, no additional significant issues were identified in our review of the processes, including the design and implementation effectiveness of relevant controls around the financial statement close process. We have not tested the operation of any controls through this review.



08

Independence

Independence - Relationships, services and related threats and safeguards

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 2023 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 2023 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Independence - Fees

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

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

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

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our financial statements opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Council and
- ▶ The Council has an effective control environment
- ▶ The Council complies 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 Council should have regard to paragraphs 26 - 28 of the Statement of Responsibilities.

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

	Current Year	Prior Year
	£m	£m
Scale Fee – Code Work	148,341	48,600 Note 1
Proposed scale fee variation (note 2)	30,000 – 40,000	
Total audit	TBC	TBC

All fees exclude VAT

(1) Note 1 - PSAA Ltd, in line with the joint statement issued DLUHC (as at that date) and the FRC is responsible for the determination of the final audit fee in respect of 2022/23. In doing so, PSAA Ltd will apply the principles that where auditors have worked in good faith to meet the requirements of the Code of Audit Practice in place at the time the work was conducted (and have reported on work that is no longer required), then they are due the appropriate fee for the work done, including where their procedures were necessary to conclude the audit by the legislatively imposed backstop date by way of a modified or disclaimed opinion and the body is due to pay the applicable fee.

(2) The scale fee is impacted by a range of other factors which resulted in additional work. The areas where additional audit procedures have been performed are:

- Revisions to ISA (UK) 315.
- Identified risks and audit procedures undertaken in respect of the IAS 19 asset ceiling calculation our procedures included engagement of our actuarial specialists.
- Additional work undertaken to respond to the identified valuation risk in respect of Property, Plant and Equipment and Investment Property. Our procedures included the engagement of our EYRE valuation specialists.
- Additional work undertaken on investment property valuations and operating leases due to incorrect source data.
- Additional work on grants due to incorrect classification of grants.
- Additional work to address the number of audit differences identified during the audit.

Any additional fees to the scale fee are subject to PSAA determination and approval.



09

Appendices

Appendix A – Summary of assurances

Summary of Assurances

As we have set out in Section 5 and the Executive Summary of this report, we anticipate issuing a disclaimer of opinion on the 2023/24 financial statements. Due to the disclaimer of opinion issued on the 2022/23 financial statements, we do not have assurance over the comparative figures disclosed in the financial statements, the opening balance position on 1 April 2023, the closing reserves balances on 31 March 2024 or the in-year movements recorded in the Comprehensive Income and Expenditure Statement. This is considered material and pervasive to the 2023/24 financial statements. The table below summarises the audit work we have completed on the 2023/24 financial statements to demonstrate to the committee the level of assurance that has been obtained as a result of the financial statements audit.

We do not provide a separate opinion on these matters as the assurance we have gained is in the context of our audit of the financial statements as a whole, and our disclaimer of opinion on those financial statements.

Account area	Assurance rating	Summary of work performed
Property, Plant and Equipment ('PPE') and Investment Property ('IP')	Partial	We have completed testing of the 2023/24 additions and disposals to the fixed asset register, audited the valuation of a sample of assets revalued in 2023/24 and performed procedures to obtain assurance over the existence of assets on the fixed asset register and the Council's right to recognize those assets. Until we are able to rebuild assurance over PPE and IP additions, disposals and revaluations in the disclaimed period, we are unable to obtain full assurance over the completeness and valuation of PPE at 31 March 2024. We also identified that the valuation methodology for car parks valued in 2023/24 with asset value of £23.2m is potentially incorrect. There were questions regarding valuation methodology and we were unable to resolve this matter, to conclude whether there was misstatement before the backstop date and therefore we are unable to obtain assurance over the valuation of such car parks at 31 March 2024.
Long Term Investments	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Short Term Investments	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Short Term Debtors	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Local Government Pension Scheme asset	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Cash and Cash equivalents	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Short Term Creditors	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.

Appendix A – Summary of assurances (cont'd)

Summary of Assurances

Account area	Assurance rating	Summary of work performed
Rent Deposits and Other Balances	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Provision for Business Rate Appeals	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
S106 contributions	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Capital Grants and Receipts in advance	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2024.
Reserves	None	We have completed our work on the movements in reserves in 2023/24 but, until we have completed our work programme on the rebuilding of assurance following the disclaimed audit opinion, we are unable to obtain assurance over the useable and unusable reserves of the Council reported in the financial statements. We will provide more information on our proposed approach for rebuilding of assurance as part of our 2024/25 audit planning reports.
Comprehensive Income and Expenditure Statement	None	We have completed our planned testing on the Comprehensive Income and Expenditure Statement in 2023/24 but, as we do not have assurance over the opening balance position at 1 April 2023, we are unable to obtain assurance that all of the in-year movements recorded in the statement are accurate.
Leases note 24	None	We identified instances where incorrect source data (lease periods, break clauses and rent amounts) were recorded in the operating leases schedule that is used as the basis for the 'future minimum lease payments' table in Leases note 24. We are unable to resolve this matter before the backstop date and therefore we are unable to obtain assurance over the disclosure contained in leases note 24 at 31 March 2024.

Appendix B - Required communications with the Audit Committee

Required communications with the Audit Committee

There are certain communications that we must provide to the Audit Committees of UK entities. 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.	PSAA Contract and Roles and responsibilities
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit Results Report
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 - 10 July 2024
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
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
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

Appendix B - Required communications with the Audit Committee (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
Fraud	<ul style="list-style-type: none"> Enquiries of the audit 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: <ol 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 Audit Committee responsibility. 	Audit Results Report
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
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 - 10 July 2024</p> <p>Audit Results Report</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

Appendix B - Required communications with the Audit Committee (cont'd)

Our Reporting to you

Required communications	What is reported?	When and where
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 audit 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
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
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
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
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
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

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