The Audit Findings (ISA260) Report for Exmoor National Park Authority

Year ended 31 March 2022

15 November 2022

Contents

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management.

Gareth D Mills

Name: Gareth Mills, Key Audit Partner and Engagement Lead for Exmoor National Park Authority
For Grant Thornton UK LLP
Date: 15 November 2022

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1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Exmoor National Park Authority ('the Authority') and the preparation of the Authority's financial statements for the year ended 31 March 2022 for those charged with governance.

Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the Authority's financial statements give a true and fair view of the financial position of the Authority and its income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS) and the Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our audit work was completed in a hybrid manner, both onsite at Exmoor and remotely, as planned during September through to November.

Our findings are summarised on pages 5 to 15. We have not identified any audit adjustments affecting the primary financial statements or the Authority's level of useable reserves, although we have identified a number of required adjustments to disclosures. All adjustments and amendments are detailed at Appendix C.

We have also raised a small number of recommendations for management as a result of our audit work, these are noted in the Action Plan at Appendix A. Our follow up of recommendations from the prior year's audit are detailed at Appendix B.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion (as detailed at Appendix E) or material changes to the financial statements, subject to the satisfactory completion of the following outstanding matters:

- completion of our remaining audit testing of Property, Plant and Equipment (PPE)
- receipt of the pensions assurance letter from the auditor of Somerset Pension Fund and completion of any work arising on the significant audit risk of accounting for the defined benefit net liability
- receipt of the signed management representation letter
- review of the final set of financial statements.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.

We anticipate issuing a 'clean' unqualified audit opinion will. We are targeting to issue our opinion following the Final Accounts Committee on 1 December 2022.

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1. Headlines

Value for Money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are now required to report in more detail on the Authority's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Authority's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance

We have not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. An audit letter explaining the reasons for the delay is attached at Appendix F to this report. We expect to issue our Auditor's Annual Report by February 2023. This would be ahead of the National Audit Office's revised deadline for VFM audit work, which requires the Auditor's Annual Report to be issued no more than three months after the date of the opinion on the financial statements.

As part of our work, we considered whether there were any risks of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. We did not identify any such risks at the planning stage and have not done so in our further work to date.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We expect to certify the completion of the audit upon the completion of our work on the Authority's VFM arrangements, which will be reported in our Annual Auditor's Report in February 2023.

Significant Matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

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2. Financial Statements

Overview of the scope of our audit

This Audit Findings (ISA260) Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed and agreed with the Head of Finance and Operations, prior to presenting it to the Final Accounts Meeting on 1 December 2022.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the Authority's business and is risk based, and in particular included:

- An evaluation of the Authority's internal controls environment, including its IT systems and controls;
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

We have not had to alter our Audit Plan dated 25 May, and presented to the Authority Meeting on 14 June 2022.

Conclusion

We have substantially completed our audit of your financial statements. Subject to satisfactory completion of the outstanding queries (as detailed on page 3), we anticipate issuing an unqualified 'clean' audit opinion following the Authority Meeting on 1 December 2022. Our proposed audit opinion is detailed at Appendix E.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance and timely collaboration provided by the finance team and other staff during the course of our audit.

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2. Financial Statements

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

We have revised the materiality from that reported in our Audit Plan due to the actual gross expenditure changing significantly from that at the planning stage resulting in a review of the appropriateness of the materiality figure.

We detail in the table to the right our determination of materiality for the Authority at both the final and planning stages of our audit.

Materiality Area	Amount (£)	Qualitative factors considered
Materiality for the financial statements – final	108,000	Financial statement materiality was determined based on a proportion of the gross expenditure of the Authority for the financial year.
Materiality for the financial statements – planning	*90,000*	
Performance materiality – final	81,000	Set at 75% of materiality.
Performance materiality – planning	*67,500*	
Trivial matters – final	5,400	Set at 5% of materiality.
Trivial matters – planning	4,500	
Materiality for for senior officer remuneration	10,000	Due to perceived public interest in these disclosures. There was no change to this materiality level between the planning and final stage of our audit.

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2. Financial Statements - Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan	Commentary
Management override of controls Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.	We have: • evaluated the design effectiveness of management controls over journals • analysed the journals listing and determined the criteria for selecting high risk unusual journals • identified and tested unusual journals made during the year and the accounts production stage for appropriateness and corroboration • gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness • evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. Our work has not identified any issues in respect of management override of controls.
Valuation of land and buildings The Authority revalues its land and buildings on an annual basis to ensure that the carrying value is not materially different from the current value or fair value (for surplus assets) at the financial statements date. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (c£19.5 million in the 2021-22 balance sheet) and the sensitivity of this estimate to changes in key assumptions. Management have engaged the services of a valuer to estimate the current value as at 31 March 2022. The Authority has engaged an external valuer in 2021-22, as in the prior year. We therefore identified the closing valuation of land and buildings as a significant risk, which was one of the most significant assessed risks of material misstatement.	We have: • evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work • evaluated the competence, capabilities and objectivity of the valuation expert • written to the valuer to confirm the basis on which the valuation was carried out • evaluated the basis of the valuation • challenged the source data, information, and assumptions used by the valuer to assess completeness and consistency with our understanding, e.g. the build rates in respect of properties valued on a DRC basis • tested, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Authority's asset register and that accounting adjustments in relation to these revaluations have been processed appropriately Our work to date has not identified any significant issues in respect of the valuation of land and buildings.

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2. Financial Statements - Significant risks

Risks identified in our Audit Plan	Commentary
Valuation of pension fund net liability The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements. The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£12.2m in the Authority's balance sheet) and the sensitivity of the estimate to changes in key assumptions. The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation. The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable. The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. In particular the discount and inflation rates, where our consulting actuary has indicated that a 0.1%% +/- change in these two assumptions would have approximately 2% +/- effect on the liability. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation. With regard to these assumptions we have therefore identified valuation of the Authority's pension fund net liability as a significant risk.	We have: • updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluated the design of the associated controls • evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work • assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation • assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability • tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary • undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report • requested assurances from the auditor of Devon Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements – this assurance letter is currently outstanding. Given the pension fund liability balance is a significant audit risk, we need to be satisfied that we have sufficient and appropriate audit evidence over these material entries. As such we are closely considering the information that we have received from the actuary and Pension Fund. We also need to review the contents of the assurance from the auditors of the Somerset Pension Fund audit. The timing and content of the information from the Pension Fund auditors will influence the date when we will be in a position to issue our audit opinion on the Authority's accounts. As noted earlier, our audit work on the pension fund net liability is currently in progress. This work is dependent on the progress of the Somerset Pension Fund audit. This may impact our ability to issue our audit opinion after the Final Accounts Meeting on 1 December. We will provide a verbal update to members at the meeting on this issue.

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2. Financial Statements - Significant risks

Risks identified in our Audit Plan	Commentary
Improper revenue recognition Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.	As reported in our Audit Plan, having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because: • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including the Authority, mean that all forms of fraud are seen as unacceptable. There has been no change to our assessment in regard to the risk of improper revenue recognition.
Risk of fraud related to expenditure recognition (PAF Practice Note 10) In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period).	As reported in our Audit Plan, we have rebutted this presumed risk for the Authority because: • expenditure is well controlled and the Authority has a strong control environment • the Authority has clear and transparent reporting of its financial plans and financial position to the Authority. There has been no change to our assessment in regard to the risk of fraud related to expenditure recognition.

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2. Financial Statements – key judgements and estimates

This section provides commentary on key estimates and judgements inline with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Land and Building valuations – £19.5m	Land and buildings comprises £1.9m of specialised assets where no market exists which are required to be valued at depreciated replacement cost (DRC). The remainder of the land and buildings (£17.6m) are not specialised in nature and are required to be valued at existing use in value (EUV) at year end. The Authority has engaged NPS (SW) Ltd as their management expert to complete the valuation of land and buildings as at 31 March on an annual basis. All assets were revalued as at 31 March 2022. The valuation of properties valued by the valuer has resulted in a net increase of £166k.	We have: • Assessed the competence and expertise of management's expert • Reviewed the completeness and accuracy of the underlying information used to determine the estimate • Reviewed the assumptions used by the expert, including the floor areas • Ensured that there has been no changes to the method used to revalue the assets, and ensured that the method is suitable for the different classes of the assets • Considered the adequacy of disclosure of the estimate in the financial statements. There are no significant issues arising from our work.	Green

Assessment

- [Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Green] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

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2. Financial Statements - key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Net pension liability – £12.2m	The Authority's net pension liability at 31 March 2022 is £12.2m (PY £14.1m) comprising the Somerset Pension Fund defined benefit pension scheme obligations. The Authority uses Barnet Waddingham to provide actuarial valuations of the Authority's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years. The latest full actuarial valuation was completed in 2019. A roll forward approach is used in intervening periods which utilises key assumptions such as life expectancy, discount rates, salary growth and investment return. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £1.9m net actuarial gain during 2021-22.	We have: • Assessed management's expert • Assessed the actuary's approach taken and deemed it reasonable • Used PwC as auditor's expert to assess actuary and assumptions made by actuary (see table below) • Confirmed the completeness and accuracy of the underlying information used to determine the estimate • Confirmed the reasonableness of the Authority's share of LPS pension assets. • Confirmed the reasonableness of the decrease in the liability estimate • Confirmed the adequacy of the disclosure of the estimate in the financial statements Our audit work to date has not identified any issues in respect of the valuation of the pension fund net liability. Our work in this area is still in progress, including the assurance from the Pension Fund auditor.	Green

Assumption	Actuary Value	PwC range	Assessment
Discount rate	2.6%	2.55% - 2.6%	Green
Pension increase rate	3.20%	3.05% - 3.45%	Green
Salary growth	4.20%	4.05% - 4.45%	Green
Life expectancy – Males currently aged 45 / 65	24.4 / 23.1	21.9 – 24.4 / 20.5 – 23.1	Green
Life expectancy – Females currently aged 45 / 65	26.1 / 24.7	24.9 – 26.4 / 23.4 – 25.0	Green

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2. Financial Statements - other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Authority. We have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been requested from the Authority, which is separately included in the Authority papers. As in the prior year, we have requested a specific representation in respect of the Authority's accounting treatment of c£18k of monies held in the Authority's bank account which is not included in the Authority's accounts.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the Authority's banks. This permission was granted and the requests were sent. These requests were returned with positive confirmation and no issues were noted.
Accounting practices	We have evaluated the appropriateness of the Authority's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements.
Audit evidence and explanations / significant difficulties	All information and explanations requested from management was provided.

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2. Financial Statements - other communication requirements

Our responsibility

As auditors, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern" (ISA (UK) 570).

Issue	Commentary
Going concern	In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Authority recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies. Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities: • the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities • for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Authority's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Authority meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated: • the nature of the Authority and the environment in which it operates • the Authority's financial reporting framework • the Authority's system of internal control for identifying events or conditions relevant to going concern • management's going concern assessment. On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that: • a material uncertainty related to going concern has not been identified • management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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2. Financial Statements - other responsibilities under the Code

Issue	Commentary
Other information	We are required to give an opinion on whether the other information published together with the audited financial statements, including the Annual Governance Statement and Narrative Report, is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect – please see Appendix E.
Matters on which we report by exception	We are required to report on a number of matters by exception in a number of areas: • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es. We have nothing to report on these matters.
Specified procedures for Whole of Government Accounts	We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions. Our audit work on the Authority's WGA pack is very limited as the Authority does not exceed the audit threshold. We understand from discussions with the Chief Finance Officer that Exmoor will fall below the minor bodies reporting threshold and therefore no submission will be required. We note that guidance for this work has not yet been issued and therefore this work has not yet commenced. The NAO requires the work to be completed once the audit opinion is provided on the financial statements and has not yet released data collection instructions.
Certification of the closure of the audit	We intend to delay the certification of the closure of the 2021-22 audit of the Authority in the audit report, as detailed at Appendix E, until we have completed our work on the WGA consolidation exercise mentioned above, and completed our Value for Money responsibilities with the issue of the Auditor's Annual Report. This is in common with the vast majority of other local authorities given the later audit deadline for the VFM work and the current lack of instructions for WGA work.

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3. Value for Money arrangements

Approach to Value for Money work for 2021-22

The National Audit Office issued its guidance for auditors in April 2020. The Code require auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)

Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:

Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.

Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.

Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements.

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3. VFM - our procedures and conclusions

We have not yet completed all of our VFM work and so are not in a position to issue our Auditor’s Annual Report. An audit letter explaining the reasons for the delay is attached at Appendix F to this report. We expect to issue our Auditor’s Annual Report by February 2023. This would be ahead of the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued no more than three months after the date of the opinion on the financial statements.

As part of our work, we considered whether there were any risks of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. To date we have not identified any such risks of significant weakness in the Authority’s arrangements.

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4. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Authority's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed at Appendix D.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see Transparency report 2020 (grantthornton.co.uk)

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority.

No other audit or non-audit services are provided to the Authority.

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Appendices

A. Action Plan – Audit of Financial Statements

We have identified the following recommendations for the Authority as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2022-23 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Medium	1. Driver Farm component accounting requirement: Driver Farm is held in the asset register at £2m value as a land asset, and therefore not depreciated. Given the nature of the asset, it is likely that there is a material element which should be classified as a building, and as such, should componentized, allocated a useful economic life, and depreciated. The likely amount of any depreciation is estimated by management to be approximately £10k-£15k, which is immaterial but above our audit triviality.	Management should split the Driver Farm asset on a component basis between land and buildings. The buildings element should then be allocated a useful economic life and depreciated accordingly. Management response: ***Agreed with recommendation which will be actioned for the 2022-23 financial statements.***
Medium	2. 'De minimis' items included on the Fixed Asset Register (FAR): Our review of the FAR and asset valuations in year, identified a number of assets which are included in the FAR but not accounted for on the basis that their value is below £5,000 and therefore falls below the Authority's de minimis value for recognition of capital expenditure. These assets nevertheless are being treated as capital assets, and therefore should be recognised at their carrying value even if this falls below £5,000. and depreciated where this is appropriate. The total nominal value of the assets as valued at 31 March 2022 is £14k, which is immaterial.	Management should ensure that all items being treated as capital are recognised at their carrying value. Assets falling below the de minimis threshold and expensed in year should be truly "one-off" and not be maintained in the asset register or held for indefinite future use. Management response ***Agreed with recommendation which will be actioned for the 2022-23 financial statements.***
Medium	3. Identification of Heritage Assets: Two assets identified as per the issue above, would be more appropriately classified as heritage assets under the CIPFA Code of Practice. As detailed at Appendix C, management has agreed to reclassify these and update the heritage assets note in year to make disclosure of these assets in line with the Code. The assets are currently held at nil value, as their total value on their current valuation basis is £4k. However, this valuation is based on a commercially-focused Existing Use Value basis. We believe that due to their nature as heritage assets, an insurance valuation would be a more appropriate basis for determining their value.	Management should review the valuation basis of heritage assets and consider using an alternative method of valuation (for example an insurance valuation) which may be more reflective of their true value to the Authority. The Authority should bear in mind that the Code of Practice is not prescriptive and allows for "any appropriate valuation method" to be used in the case of heritage asset valuations. Management response ***Agreed with recommendation which will be actioned for the 2022-23 financial statements.***

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A. Action Plan – Audit of Financial Statements

Assessment	Issue and risk	Recommendations
Medium	4. Completeness of expenditure In the prior year we identified an invoice for £3,400 which had related to 2020-21 but had not been accrued for, and raised a recommendation in relation to this point as per Appendix B. In 2021-22 we have again identified two invoices totalling £5,977 which have not been accrued for. As in the prior year, this is not material. We tested a further sample with no issues arising.	The Authority should review its procedures to ensure all items that should be accrued for are identified and accounted for in the correct financial year. Management response: *Agreed. We will continue to work towards ensuring all invoices are allocated to the appropriate year, and we note that this only related to 2 items identified.*

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B. Follow up of prior year recommendations

We identified the following issues in the audit of Exmoor National Park Authority's 2020-21 financial statements, which resulted in six recommendations being reported in our 2020-21 Audit Findings (ISA260) Report.

We can report that management have implemented four of our recommendations, with two others not implemented as described below.

Issue and risk previously communicated in our 2020-21 ISA260 Report (November 2021)	Update from management on actions taken to address the issue	Auditor's view
1. The Authority must review which staff have "Super User" access on SAP. In order to prevent the risk of elevated privileges being used to make unauthorised changes to the application, business processes, or user accounts by over-riding internal system controls, this should not include any individuals involved in the regular posting of journals.	Following investigation with the SCC systems team, we identified that none of the team members' access gave them "Super User" privileges. Therefore there is no impact on the financial statements and no issue to resolve.	No further issues to report.
2. In the future, the Authority's management controls over the pension fund should include agreement of the contribution data sent to the actuary.	We now receive a report of the cashflow data that goes to the actuary in order that we can provide a robust challenge.	No further issues to report.
3. The Authority should agree a new payroll & IT SLA with Somerset CC that reflects the arrangements currently in place.	The relationship with SCC is being reset on 1 April 2023 as the new unitary starts. This will be the opportunity to agree an SLA.	This action is incomplete as per our Audit Plan, but we agree that it is appropriate to wait for the establishment of the new Somerset Council to finalise this.
4. The Authority should develop its own cybersecurity arrangements and ensure that there is appropriate management oversight of this area.	A new three-year ICT strategy is in the process of being drafted and this will have an emphasis on security as a whole, including strengthening our cyber security vision and policy. It is anticipated the Strategy will be in place in Q3 2022, with new policies approved by early Q4 2022.	No further issues to report, as policies are now in place. We will confirm this as part of our 2022-23 audit work.
5. The Authority should review its procedures to ensure all items that should be accrued for are identified and accounted for in the correct financial year.	We have firmed up processes for identifying old year invoices. There is always the risk that a few creep under the radar.	We identified two further issues in relation to invoices not accrued in year, and have re-raised this recommendation in Appendix A.
6. We recommend that assets should remain on the Fixed Asset Register until disposed of by the Authority. The Authority should also review asset values and lives when assets that are still in use have been reduced to a £nil net book value.	We will carefully consider our depreciation policy in use and look to only write out assets where they have been removed.	No further issues to report.

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C. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

There were no adjusted misstatements in year affecting the primary statements, though there were a small number of disclosure misstatements requiring adjustments as recorded below.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure omission	Auditor recommendations	Adjusted?
Accounting for accumulated depreciation: Accumulated depreciation on land and buildings assets (£94k) had been correctly written out on revaluation, which now occurs annually. However, the entire balance had been credited to the net cost of services within the Comprehensive Income and Expenditure Statement (CIES). The Code of Practice and IAS16 require that this should be classified as other comprehensive income, unless the asset being revalued has no revaluation reserve balance attributable to it or the charge would reverse a previous impairment charged to the CIES. In total £59k was incorrectly credited to the net cost of services, which has the effect of reducing the gross amounts on the face of the CIES and Cash Flow Statement and the charges between reserves in the Movement in Reserves Statement (MIRS) and its underlying unusable reserves balances. This does not change the overall total comprehensive income and expenditure figure.	Where required under IAS16 and the CIPFA Code of Practice, accumulated depreciation written back on revaluation should be credited to other comprehensive income, with consequent adjustments made to the underlying reserves balances (chiefly the revaluation reserve). Management response *All required adjustments have been made.*	✓
Transfer between the Capital Adjustment Account and Revaluation Reserve: The CIPFA Code of Practice requires a transfer to be made between the capital adjustment account and the revaluation reserve to account for the difference between depreciation on revalued assets on their current value as compared to their historical cost. Our audit work noted that this transfer has not been done for six years. Our review identified that approximately £66k should have been transferred in that period. This has no impact on the overall unusable reserves balance.	Management should correct the balance in year by transferring £66k between the capital adjustment account and revaluation reserve, and update processes so that this transfer is performed as part of the year end capital adjustments in future years. Management response *All required adjustments have been made.*	✓
Heritage assets: Two additional assets (Dunster Pottery Kiln and Hoaroak Cottage) are held on a basis more appropriately classified as heritage assets. These assets were previously held as operational land and buildings assets at a nil value.	Management should add additional disclosures relating to these heritage assets as required by the CIPFA Code of Practice. Management response *All required adjustments have been made.*	✓

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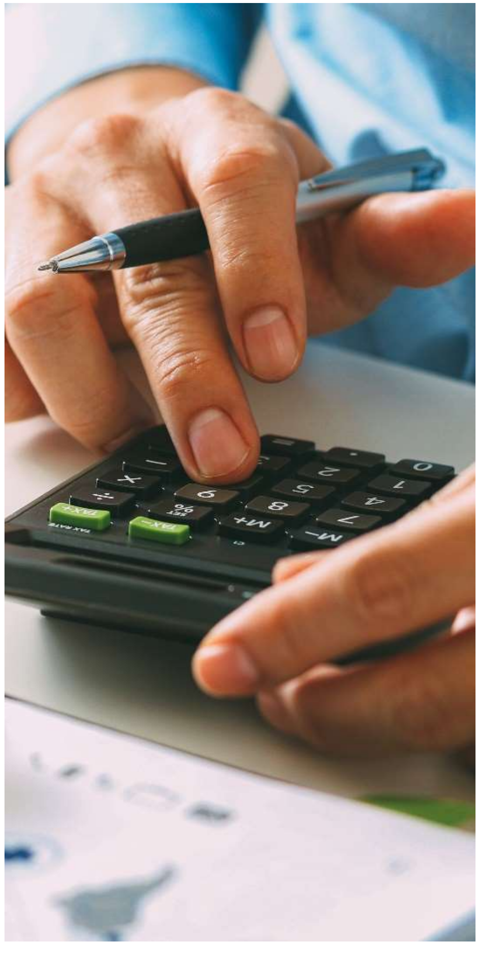
C. Audit Adjustments



Impact of unadjusted misstatements

There are no unadjusted misstatements in year.

Impact of prior year unadjusted misstatements

There were no unadjusted misstatements in the 2020-21 financial year.

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D. Fees

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non audit services.

The fees reconcile to note 18 of the financial statements.

Audit fees	Proposed fee	Final fee
Authority scale fee set by PSAA	£9,004	£9,004
Audit fee variations	£9,450	£9,450
Total audit fees (excluding VAT)	**£18,454**	**£18,454**

No non-audit or other audit-related services have been undertaken for the Authority.

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E. Audit opinion (draft)

Our proposed audit opinion is included below.

We anticipate we will provide the Authority with an unmodified 'clean' audit report

Independent auditor's report to the members of Exmoor National Park Authority

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of Exmoor National Park Authority (the 'Authority') for the year ended 31 March 2022, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2022 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. 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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

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E. Audit opinion (draft)

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority and the Authority's disclosures over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Chief Finance Officer with respect to going concern are described in the 'Responsibilities of the Authority, the Chief Finance Officer and Those Charged with Governance for the financial statements' section of this report.

Other information

The Chief Finance Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the financial statements, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

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E. Audit opinion

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority, the Chief Finance Officer and Those Charged with Governance for the financial statements

As explained in the Statement of Responsibilities for the Statement of Accounts, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Authority is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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E. Audit opinion

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those related to the reporting frameworks (international accounting standards as interpreted and adapted by the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22, The Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, Local Government Act 2003, and the Local Government Act 1972.
- We enquired of senior officers and the Authority concerning the Authority's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of senior officers, internal audit, and the Authority whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating officers' incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls, and of fraudulent recognition of revenue and expenditure. We determined that the principal risks were in relation to:
  - Journal entries outside the normal course of business
  - Significant management estimates, in particular those relating to land and buildings valuations and the valuation of the net pension fund liability
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on unusual and high-risk journals made at the year-end accounts production stage;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and buildings and defined benefit pensions liability valuations;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

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E. Audit opinion

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to land and buildings and defined benefit net liability valuations.
- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the local government sector
  - understanding of the legal and regulatory requirements specific to the Authority including:
    - the provisions of the applicable legislation
    - guidance issued by CIPFA/LASAAC and SOLACE
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

Our work on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Authority's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2022.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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E. Audit opinion

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied 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 review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Exmoor National Park Authority for the year ended 31 March 2022 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed:

- our work on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources and issued our Auditor's Annual Report
- the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Authority for the year ended 31 March 2022.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2022.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

[TO BE SIGNED]

Gareth Mills, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Leeds

DATE

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F. Audit letter in respect of delayed VFM work

Exmoor National Park Authority
Exmoor House
Dulverton
Somerset
TA22 9HL

15 November 2022

Dear Mr Milton

Under the 2020 Code of Audit Practice, at local government bodies we are required to issue our Auditor's Annual Report on our VFM work at the same time as our opinion on the financial statements or, where this is not possible, issue an audit letter setting out the reasons for delay.

As a result of the impact of the pandemic, and the impact it has had on both preparers and auditors of accounts to complete their work as quickly as would normally be expected, the National Audit Office has updated its guidance to auditors to allow us to postpone completion of our VFM work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation.

As a result, we have therefore not yet issued our Auditor's Annual Report, including our commentary on arrangements to secure value for money. We expect to publish our report in time for the Authority Meeting on 7 February 2023.

For the purposes of compliance with the 2020 Code, this letter constitutes the required audit letter explaining the reasons for delay.

Yours sincerely

Gareth

Gareth Mills
Key Audit Partner & Engagement Lead for Exmoor National Park Authority

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