



Audit Completion Report

Derbyshire County Council– year ended 31 March 2024

February 2025

Audit Committee
Derbyshire County Council
County Hall
Matlock
DE4 3AG

28 February 2025

Forvis Mazars
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Dear Committee Members,

Audit Completion Report – Year ended 31 March 2024

We are pleased to present our Audit Completion Report for the year ended 31 March 2024. The purpose of this document is to summarise our audit conclusions. The scope of our work, including identified significant audit risks, and other key judgement areas, was outlined in our Audit Strategy Memorandum, which we presented to you on 16th July 2024.

As a result of the legislative backstop arrangements introduced by the amendments to the Accounts and Audit Regulations 2015, as communicated to you via our audit progress report on 28th January 2025, we are unable to complete the audit as originally planned, in advance of the backstop date of 28 February 2025. We provide more information on the legislative backstop arrangements and its implications for the audit and our audit report, in section 3.

We will continue to work closely with you and management to take the necessary steps to rebuild assurance over future accounting periods. We will provide further updates to future meetings of this committee. In line with the guidance issued by the National Audit Office, as endorsed by the Financial Reporting Council, we hope to return to a standard audit cycle where we are able to obtain sufficient, appropriate evidence in order to issue an unmodified audit opinion in as short a period as practicable.

We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me at daniel.watson@mazars.co.uk

Yours faithfully

Daniel Watson

Forvis Mazars LLP

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01

Executive Summary



Executive summary

The scope of our audit and implications of the backstop arrangements

Our audit of the financial statements

The detailed scope of our work as your appointed auditor for 2023/24 is set out in the National Audit Office's (NAO) Code of Audit Practice ('the Code'). Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 ("the 2014 Act") and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) ("auditing standards") and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

The scope of our work, including identified significant audit risks, and other key judgement areas, was outlined in our Audit Strategy Memorandum, which we presented to you on 16th July 2024. The government has introduced measures intended to resolve the local government financial reporting backlog. Amendments to the Accounts and Audit Regulations require the Council to publish its audited 2023/24 financial statements and accompanying information on or before 28 February 2025. In accordance with the Code, we are required to provide our audit report in sufficient time to enable the Council to meet these responsibilities, whether the audit is completed or not.

Auditing standards require auditors to consider whether they have obtained sufficient appropriate assurance that the financial statements present a true and fair view and have been prepared, in all material respects, in line with the Code of Practice on Local Authority Accounting. Where the auditor determines they have been unable to obtain sufficient appropriate assurance, they must consider the implications of this on their audit report.

As reported in our progress report on 28th January 2025, we have completed the majority of our audit work, however, we have identified a number of issues in relation to the Council's property valuations. The Council are required to revisit the valuations in order for us to be able to quantify the impact and conclude on our work in this area. As a result of the backstop arrangements, we have determined that there is insufficient time to complete our audit procedures so as to obtain sufficient appropriate evidence, and, in our view, the effects of the resulting lack of assurance is both pervasive and material to the financial statements as a whole. As a result, we intend to issue a disclaimer of opinion on the Council's financial statements. We have included our proposed audit report in Appendix B.

When an opinion is disclaimed the auditor does not express an opinion on the financial statements and, consequently, no assurance is provided on the financial statements. Members will note that the form and content of this report differs substantially from the report which they will have seen in previous years. We provide more details on this in section 3.

Internal control recommendations and misstatements

Despite our intention to issue a disclaimer of opinion, where matters come to our attention through the course of our audit, we may be required to report these to you. We have completed the majority of the audit work, with the exception of PPE and Heritage Assets valuations, and have included our findings within his report. Section 3 sets out any internal control recommendations we have made and any misstatements identified in the draft financial statements and how these have been addressed by management.

Value for Money arrangements

The amendments to the Accounts and Audit Regulations do not affect our responsibilities in relation to the Council's Value for Money arrangements. We have identified two significant weaknesses in relation to the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. Further detail on our Value for Money work is provided in section 4 of this report.

Whole of Government Accounts

As a result of the backstop arrangements and our intention to issue a disclaimer of opinion on the Council's financial statements, we anticipate reporting to the NAO that we are unable to complete the mandatory audit procedures specified in their Group Audit Instructions. We are awaiting confirmation of when and how this should be reported to the NAO.

Wider powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts. We have accepted one objection from a local elector. We are finalising our work to review this objection, and will provide an update to the Committee once our work is concluded.

02

Audit Approach



Audit Approach

Changes since we issued our Audit Strategy Memorandum

Section 1 of this report explains the implications of the backstop arrangements introduced by the recent amendments to the Accounts and Audit Regulations and confirms that we intend to issue a disclaimer of opinion on the Council's financial statements.

Materiality

We are required to determine materiality and report this to you, irrespective of whether we are disclaiming our opinion.

Our provisional materiality at the planning stage of the audit was set at £34,097 using a benchmark of 2% of gross operating expenditure.

Our final assessment of materiality used the same benchmarks and, based on the final financial statements is:

	2023/24 £'000s
Overall materiality	£36,521
Performance materiality	£27,391
Clearly trivial	£1,096

Summary of Risks

There have been no changes to the risks identified which we communicated in our Audit Strategy Memorandum, issued on 16th July 2024.

Whilst we planned our audit to address the risks of material misstatement we identified at the planning stage, we will not have completed all of our work in advance of the backstop date and as such do not provide any assurance over individual areas of the financial statements or the financial statements as a whole, nor do we provide assurance over any of the identified risks.

Although we are unable to provide any assurance over the areas of risks we have identified, where matters have come to our attention during the course of the audit that we consider to be important to bring to your attention, we have included these in section 3 of this report.

03

Significant findings



Significant findings

Background and modification of the audit opinion

As we outlined earlier in this report, as a result of the backstop arrangements, we have not been able to complete sufficient audit procedures to enable us to provide an unmodified opinion on the Council's financial statements. As we have determined that the pervasive effects, or potential pervasive effects on the financial statements of the lack of sufficient appropriate assurance are both pervasive and material, we will be issuing a disclaimer of opinion. This means we are expressing no opinion on the financial statements.

Appendix B sets out our draft audit report which explains the basis of our disclaimer of opinion being the introduction of the backstop arrangements which require the Council to publish its audited 2023/24 financial statements by 28 February 2025.

Members will note that the draft audit report does not report on other matters that would usually appear in an unmodified audit report. These include:

- the use of the going concern assumption in the preparation of the financial statements; and
- the consistency of the other information presented with the financial statements.

Although we are disclaiming our audit opinion, auditing standards require us to report matters to you that have come to our attention during the course of our audit, which we include in this section of this report. These findings include:

- our audit conclusions regarding significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- any further significant matters discussed with management;
- any significant difficulties we experienced during the audit

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2023/24 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We have accepted one such objection, which we are in the process of reviewing. We cannot issue our audit certificate until this work is concluded.

Significant findings

Significant Risks

Management override of controls

Description of the risk

This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.

Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.

How we addressed this risk

We addressed this risk through performing audit work over:

- accounting estimates impacting amounts included in the financial statements;
- consideration of identified significant transactions outside the normal course of business; and
- journal entries recorded in the general ledger and other adjustments made in preparation of the financial statements

Audit conclusion

Our work in this area is complete. We have not identified any issues to report.

Net defined benefit liability valuation

Description of the risk

The defined benefit liability relating to the Local Government pension scheme represents a significant balance on the Council's balance sheet. The Council uses an actuary to provide an annual valuation of these liabilities in line with the requirements of IAS 19 Employee Benefits.

Due to the high degree of estimation uncertainty associated with this valuation, we have determined there is a significant risk in this area.

How we addressed this risk

We addressed this risk by:

- critically assessing the competency, objectivity and independence of the Pension Fund's Actuary;
- liaising with the auditors of the Derbyshire Pension Fund to gain assurance over the design and implementation of the controls in place at the Pension Fund. This will include the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS 19 valuation is complete and accurate;
- reviewing the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This will include comparing them to expected ranges, utilising information by the consulting actuary engaged by the National Audit Office; and
- agreeing the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the Council's financial statements.

Audit conclusion

Our work in this area is complete. We found that the Council had not applied the asset ceiling restriction to the net pension surplus, as required by IFRIC 14. The required adjustment is detailed on page 17.

Significant findings

Valuation of Land and Buildings

Description of the risk

Land and buildings assets are a significant balance on the Council's balance sheet. The valuation of these properties is complex and is subject to a number of management assumptions and judgements. Due to the high degree of estimation uncertainty associated, we have determined there is a significant risk in this area.

How we addressed this risk

We addressed this risk by:

- critically assessing the scope of work, qualifications, objectivity and independence of the Council's valuer to carry out the required programme of revaluations;
- considering whether the overall revaluation methodologies used by the Council's valuers are in line with industry practice, the CIPFA code of practice and the Council's accounting policies;
- testing a sample of valuations carried out in the year to confirm they have been carried out on the correct basis and that the underlying judgements are based on relevant inputs and are reasonable;
- assessing whether valuation movements are in line with market expectations by considering valuation trends; and
- critically assessing the approach that the Council adopts to ensure that assets that are not subject to revaluation in 2023/24 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Council's valuers.

Audit conclusion

We identified issues in this area including:

- The valuation method applied to the Elvaston Castle valuation
- Depreciated Replacement Cost methodology, specifically that the calculations did not include a reduction for depreciation to reflect the remaining life of the building

As a result of the backstop, we have not had time to obtain sufficient audit evidence in this area. We are therefore unable to conclude on the impact of the above issues, and do not provide any assurance on these balances in the financial statements.

Significant findings

Significant matters discussed with management

During our audit we discussed the following significant matters with management:

- Delays in the production of draft accounts supported by appropriate working papers. Our audit had initially been planned to commence in July 2024, however there was a delay in the Council producing draft accounts, which were not published until October 2024.
- Implications of the backstop arrangements
- The Council's financial position, including development of the medium-term financial plan: During the year, we have met with officers to discuss the Council's financial position and budget setting process and pressures to enable us to reflect on the Council's financial resilience and sustainability.
- Valuation approach and methodology:
 - We discussed the appropriateness of valuation methods applied to various assets within the Council's land and buildings portfolio. Specifically, we have discussed the valuation of Elvaston Castle which the Council have valued as a specialised asset, using the Depreciated Replacement Cost (DRC) method. Our internal valuations experts have reviewed the valuation and concluded that the property should be valued on an Existing Use Value (EUV) basis.
 - In addition, we have discussed the approach taken to calculate Depreciated Replacement Cost building valuations, specifically how depreciation is applied to reflect the age and remaining life of the buildings.
 - We have also had discussions around the number of valuations that take place each year. In addition to the 20% rolling programme, which ensures that all land and buildings are revalued within a 5-year period in line with the requirements of the Code, the Council also undertake a number of additional valuations each year. We found that the Council revalued 91% of its land and buildings during 2023/24 (based on value). Whilst the Council do need to ensure they are satisfied that the value of those assets not revalued in year is materially correct, the volume of revaluations that are undertaken each year creates a significant amount of work, both for the Council, and for the audit. The Council may want to review their approach to determining which assets are revalued each year, in order to reduce the additional work that is undertaken.

As part of our audit, we sought and obtained information from management in relation to actual or suspected non-compliance with laws and regulations, and any actual or suspected fraud which could materially impact upon the financial statements.

Based on our review of the information received, we have no matters to report in relation to fraud and the Council's compliance with laws and regulations. We have not undertaken any further work in these areas and do not provide any assurance that the financial statements are free from material error .

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management.

Our observations on internal control

As part of our planning procedures, we obtained an understanding of the Council's internal control environment and control activities relevant to the preparation of the financial statements, which was sufficient to plan our audit and to determine the nature, timing and extent of our audit procedures. Although our audit was not designed to express an opinion on the effectiveness of the Council's internal controls, we are required to evaluate any deficiencies in internal control that come to our attention, even though we intend to issue a disclaimer of opinion.

Deficiencies in internal control

A deficiency in internal control exists if:

- a control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/or correct potential misstatements in the financial statements; or
- a necessary control to prevent, detect, and/or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit, as originally planned before the backstop arrangements came into force, was to express an opinion on the financial statements. The matters reported in this section of our report are limited to those deficiencies and other control recommendations that we have identified through the audit procedures we were able to complete before the backstop date. If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported. Our comments in this section should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

The deficiencies in the Council's internal controls that we have identified as at the date of this report are set out on the following pages.

Significant deficiencies in internal control

A significant deficiency in internal control is one which, in our professional judgement, has the potential for financial loss, damage to reputation, or a loss of information which may have implications on the achievement of business strategic objectives. Our view is that observations categorised as a significant deficiency are of sufficient importance to merit the attention of the Audit Committee.

We have not identified any significant deficiencies in the Council's internal controls as at the date of this report.

Other observations on internal control

We also report to you, our observations on the Council's internal controls where, in our professional judgement, there is a need to strengthen internal control or enhance business efficiency that do not constitute significant deficiencies in internal control but which we view as being important for consideration by management.

We do not have any other internal control observations to bring to your attention as at the date of this report.

Whether internal control observations merit attention by the Audit Committee and/or management is a matter of professional judgment, taking into account the risk of misstatement that may arise in the financial statements as a result of those observations.

Internal control conclusions

Other deficiencies in internal control

In our view, there is a need to address the deficiencies in internal control set out in this section (which are not deemed to be significant deficiencies) to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Description of deficiency

The original valuer's report provided was incomplete. It did not contain all valuations that had been completed in year. On querying with the Council, they confirmed that the report had not been reviewed on receipt.

Potential effects

The valuers report could be incomplete or incorrect, which could result in a valuations error in the financial statements

Recommendation

The Council should review the Valuers Report on receipt to ensure it is complete, and in line with expectations

Management response

The Report is purely a narrative difference and does not affect the figures within the financial statements. All controls are set outside of the Valuers Report and are on each revaluation file that is received. Assurance is gained from these checks and controls to ensure that the correct values have been entered into accounts. As there are limited resources within the Capital section the priority was around the checks and controls that constituted the figures within the accounts and not around the report which has no effect on the numbers - had the report not been produced this would not have affected the validity of the financial statements. Assurance and checks have to be placed on the sending department that the Valuers Report has been reviewed and checked before sending on.

Description of deficiency

We found that one Officer had Directorships on Companies House that had not been declared on their declaration of interest forms*

Potential effects

There is a risk that the Register of Interest is not up to date which could lead to incomplete Related Party disclosures in the financial statements

Recommendation

The Council should ensure that Councillors and Officers receive clear instructions on completing the declaration of interest forms, to ensure that Councillor' disclose all relevant interests

Management response

An officer omitted their position as a director of a company. This was an oversight by the officer. Clear instructions along with relevant definitions are already provided on the form. It is unlikely that further instructions would mitigate the risk of officer oversight.

*Note that in our progress report dated 28th January we reported that this deficiency related to two Officers. We have since confirmed that only one Officer held a directorship that was not declared.

Internal control conclusions

Other deficiencies in internal control continued

Description of deficiency

Declaration of interest forms for members are not completed on an annual basis.

Related party declaration forms are only completed by Councillors when they take office. A Register of Interests is maintained and updated when members notify the Authority of any changes in their circumstance. The Council do send reminders to Councillor's to notify them of any changes, but they do not ask them to submit a declaration every year.

Potential effects

There is a risk that the Register of Interest is not up to date which could lead to incomplete Related Party disclosures in the financial statements

Recommendation

We recommend that the Council should request a declaration of interest form is completed, or a confirmation of no changes is submitted, on an annual basis

Management response

The disclosure of Councillor interests in the Related Party note is compiled based on the Register of Interests (RoI) maintained and updated on the Council's website. The RoI on the website is updated whenever the Council is notified of any changes. The Council has adopted the LGA Code which requires Members to declare interests upon taking office and thereafter within 28 days of a change. There is no requirement in the Localism Act or Code of Conduct that requires a declaration of interest form to be completed on an annual basis. The Council's Monitoring Officer does send out a quarterly reminder asking Councillor's to review their declarations of interest and notify any changes. The Council does not believe any further action is required.

Description of deficiency

There was no formal management review of the assumptions used by the actuary

Potential effects

The Employer is ultimately responsible for the financial and demographic accounting assumptions adopted for its accounts. Lack of review process means the standard actuarial assumptions may be inappropriate for the Council, which could result in an inaccurate pensions valuation

Recommendation

There should be a documented formal review of actuarial pensions assumptions by management

Management response

It would be hard to envisage a situation where the Council would diverge from the default assumptions for a 'typical LGPS employer' provided by Hymans, as our engaged actuarial expert in this matter, and we base our accounting disclosure and adjustments on their provided report at the year end, formulated using these default assumptions. The Section 151 Officer believes he has reviewed the assumptions but that this has not been formally documented. The Section 151 Officer's formal review will be documented in future.

Internal control conclusions

Other deficiencies in internal control continued

Description of deficiency

The valuations table in the accounts showed that a number of land and buildings had not been revalued in the 5-year period, as they are held at historic cost. Whilst the value is immaterial, this is not compliant with the Code which states that land and buildings should be held at current value, and valuations shall be carried out at intervals of no more than five years.

Potential effects

If land and buildings are not regularly revalued, there is a risk that they could be incorrectly valued on the Council's balance sheet

Recommendation

The Council should ensure all land and buildings are revalued every 5 years as required by the Code

Management response

Land and Buildings are being valued on a regular basis every 5 years as per the CIPFA code. The 3 assets of £31k not processed, had all been assessed by the Capital Finance Manager and their value was considered to be too immaterial to change the accounts at that stage, especially as the preparation of the accounts was already overdue. Due to a technical issue with SAP4Hana upgrade, two new assets were unable to be processed – one being a late notification of a split site asset, both proved to be immaterial and are programmed in for 2024/25. They are in their first year for valuation. The third asset was a timber shed that not been processed. Had the amounts been considered to be material then the accounts would have been changed to reflect this. This does not indicate that the Code is not being followed.

Description of deficiency

Payroll reconciliation. The payroll reconciliation should reconcile from payroll reports to the general ledger. The figure used as the “payroll report” value in the reconciliation prepared by the finance team differed to the values in the payroll reports provided directly from HR. The difference was £2m and the Council were unable to identify the reason for the difference.

Potential effects

The payroll reconciliation gives assurance over the completeness and accuracy of the payroll values in the ledger and the financial statements. If the source of the payroll figures being reconciled to is unreliable, this reduces the assurance that can be obtained from the payroll reconciliation and could result in payroll values being misstated in the general ledger.

Recommendation

The Council should review the report parameters being used for their payroll reconciliation, to ensure they are satisfied the data is appropriate and complete

Management response

A further review of the report parameters used for the payroll reconciliation will be undertaken, to understand the difference compared to the payroll report provided directly by HR, to ensure data is appropriate and complete.

Summary of amendments to the financial statements

The Council's Director of Finance authorised the Council's draft financial statements for issue on 03/10/2024.

Although we intend to issue a disclaimer of opinion, we still report any amendments which management have made to the draft financial statements, identified either through the audit procedures that we have undertaken, or separately by management.

This information is provided to the audit committee for information and to support it to discharge its responsibilities. It is important for members to note that, given we are issuing a disclaimer of opinion, we provide no assurance over the material accuracy of the amendments that have been made to the draft financial statements which are summarised in this section.

Amendments to the financial statements

Management has processed the amendments set out in the table below which exceed the trivial threshold for adjustment of £1.096m

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr Pensions Reserve				
Cr Pensions Asset/ Liability			305,259	-305,259
The Council's net pension asset included in the draft accounts was before taking into account the impact of the asset ceiling adjustment required in accordance with IFRIC 14				
Dr Fees and Charges Income				
Cr Debtors				
Dr Expected Credit Loss Allowance	93,940			-93,940
Cr Financing Expenditure – debt write offs			93,940	
The Council had recognised income and a corresponding debtor for an invoice issued to Derby City Council to recover costs incurred in relation to SinFin waste treatment centre. The Council also recognised a credit loss allowance for the full amount, and wrote the debt off on the basis that it was unlikely the invoice would be paid. We determined that because it was not probable that the invoice would be paid, it did not meet the criteria per IFRS 15 for revenue recognition and the transactions should be reversed.		-93,940		
Aggregate effect of adjusted misstatements	93,940	-93,940	399,199	399,199

Summary of misstatements

Disclosure misstatements

We have identified the following disclosure misstatements during our audit that have been corrected by management:

- £1.743m imbalance between revaluation reserve and capital adjustment account
- PPE note 12 – the revaluations table did not initially reconcile to the PPE note and did not correctly reflect the last year of revaluation for each asset, as it only considered those revalued as part of the 20% rolling programme and ignored valuations carried out for other reasons
- Capital Commitments – the Council did not include a disclosure for Capital Commitments in their draft financial statements
- Various amendments to classification of debtors and creditors relating to the East Midlands Combined County Authority
- Pensions tables - initially excluded the asset ceiling impact for 23/24 (see misstatements), and the prior year asset ceiling had incorrectly been shown as an adjustment to pension liabilities, as opposed to a separate adjustment to the net asset..

Unadjusted misstatements

When we issue a disclaimer of opinion as a result of the backstop arrangements, auditing standards require us to consider whether we are aware of any matter that would have otherwise required a modification to our opinion. Such matters may include, for example, material misstatements that have been identified which have not been amended by management in the final financial statements. We confirm that no such matters have come to our attention. Whilst we have identified errors within the Council's property valuations, we have not obtained sufficient evidence to enable us to quantify the error value. We therefore cannot conclude that we would have been required to modify our audit opinion, had it not been for the backstop.

04

Value for Money



Value for Money

Approach to Value for Money

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **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.

At the planning stage of the audit, we undertake work to understand the arrangements that the Council has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

The table overleaf outlines the risks of significant weaknesses in arrangements that we have identified, the risk-based procedures we have undertaken, and the results of our work.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the Council's arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. We have issued the Auditor's Annual Report alongside this report.

Status of our work

We have completed our work in respect of the Council's arrangements for the year ended 31 March 2024 and have identified two significant weaknesses in arrangements and have made associated recommendations. We provide further details on the identified significant weaknesses and our recommendations later in this section of our report.

Our draft audit report at Appendix B confirms that we have matters to report in respect of significant weaknesses. As noted above, our commentary on the Council's arrangements is provided in the Auditor's Annual Report.

Value for Money

Risks of significant weaknesses in arrangements

In our Audit Strategy Memorandum we reported the risks of significant weaknesses in arrangements that we had identified as part of our planning procedures. Our responses to those identified risks, and information on further risks that we identified after presenting our Audit Strategy Memorandum, are outlined in the table below.

Risk of Significant Weakness in Arrangements	Financial Sustainability	Governance	Improving the 3Es	Work Undertaken and Conclusions Reached
<p>1</p> <p>Financial Sustainability The Council has relied on reserves to support the financial position in 2023/24. The overall Council overspend of £21.655m was after substantial one-off support from the use of £37.108m of the Council's Earmarked reserves. The 2023/24 Budget approved by Council in February 2023 included the planned use of £23.707m from the Budget Management Earmarked Reserve for planned service pressures. An additional £13.401m of Earmarked Reserves was drawn down from departmental reserves to support the portfolio outturn positions.</p> <p>Public services have been struggling financially for some time, and understandably, many local authorities have been focusing on short-term measures to plug the finances, however the use of reserves is not sustainable, so we consider this to be a risk of significant weakness in the Council's arrangements for financial sustainability</p>	<p>●</p>			<p>Work undertaken</p> <p>We have:</p> <ul style="list-style-type: none"> • Obtained and reviewed the 2023/24 budget monitoring reports; • Obtained and reviewed the 2023/24 outturn report; • Obtained and reviewed the monitoring and delivery of 2023/24 savings targets; • Obtained and reviewed the 2023/24 Council plan; • Obtained and reviewed the 2023/24 performance monitoring reports; • Obtained and reviewed the 2024/25 budget including savings targets • Discussed the arrangements in place for financial sustainability with management and the finance team. <p>Conclusions</p> <p>We have identified a significant weakness in the Council's arrangements. This relates to the arrangements the Council has in place to:</p> <ul style="list-style-type: none"> • bridge its funding gaps and identify achievable savings; and • plan finances to support the sustainable delivery of services in accordance with strategic and statutory priorities <p>See page 23 for details of the significant weakness identified and the recommendations made.</p>

Value for Money

Risks of significant weaknesses in arrangements

In our Audit Strategy Memorandum we reported the risks of significant weaknesses in arrangements that we had identified as part of our planning procedures. Our responses to those identified risks, and information on further risks that we identified after presenting our Audit Strategy Memorandum, are outlined in the table below.

Risk of Significant Weakness in Arrangements	Financial Sustainability	Governance	Improving the 3Es	Work Undertaken and Conclusions Reached
<p>2</p> <p>Governance</p> <p>The Head of Internal Audit's report for 2023/24 gave a limited opinion on the adequacy and effectiveness of the Council's framework of governance, risk management, and control. This opinion is provided on the basis that significant weaknesses and/or non-compliance have been identified in key areas which expose the Council's objectives to a high risk of failure and therefore the framework of governance, risk management and control requires improvement. A high proportion of audits in year gave limited assurance opinions (31%), and there was a lack of clear evidence that previous audit recommendations raised had been fully implemented. We believe this is evidence of a risk of significant weakness in the Council's governance arrangements in 2023/24.</p>		●		<p>Work undertaken</p> <p>We have:</p> <ul style="list-style-type: none"> • Obtained and reviewed internal audit reports to understand the recommendations made • Obtained and reviewed minutes to evaluate the Council's actions in response to recommendations, and assess how effectively these have been implemented • Discuss with the Head of Internal Audit to understand the reason for limited assurance opinion • Discuss with management to understand what changes have been implemented <p>Results of our work</p> <p>We have identified a significant weakness in the Council's arrangements. This relates to the arrangements the Council has in place to gain assurance over the effective operation of internal controls.</p> <p>See details of the significant weakness identified and recommendation made on page 24</p>

Value for Money


Identified significant weaknesses in arrangements and recommendations for improvement

As a result of our work we have identified significant weaknesses in the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. These identified weaknesses have been outlined in the table below.

Identified significant weakness in arrangements	Financial Sustainability	Governance	Improving the 3Es	Recommendation for improvement	Council response
<p>Financial Sustainability</p> <p>The Council has relied on reserves to support its financial position in 2023/24. The overall Council overspend of £21.655m was after substantial one-off support from the use of £37.108m of the Council's earmarked reserves. This included the planned use of £23.707m from the Budget Management earmarked reserve and an additional £13.401m of earmarked reserves drawn down from departmental reserves to support the outturn position. The Council's aggregated target savings for 2023/24 were £28.228m, but only £8.723m was delivered, a shortfall of £19.505m. The 2024/25 budget also included the planned use of £21.206m of reserves. At Quarter 3, the Council reported that if the forecast overspend for 2024/25 cannot be reduced during the final quarter of the year, it will result in the Council utilising a further £44.130m of reserves. The 2025/26 budget includes the planned use of £2m of reserves.</p> <p>1 Without developing achievable financial plans, to reduce the unsustainable reliance on reserves, the Council faces the risk of not having sufficient resources to be able to deliver a balanced budget in future years. In our view the level of unachieved savings, and the significant planned and unplanned use of reserves to fund the resulting budget gap is evidence of a significant weakness in the Council's arrangements for financial sustainability (how the Council plans to bridge its funding gaps and identifies achievable savings).</p> <p>The 2023/24 budget was presented to Cabinet on 2nd February 2023 and approved at Full Council on 15th February 2023. The 2023/24 Council Plan and Service Plan Refresh went to Cabinet on 16th March 2023. The service plans were finalised after the budget had been approved. We believe the lack of connection between financial and operational plans is evidence of a significant weakness in the Council's arrangements for financial sustainability (how the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities).</p>	<ul style="list-style-type: none"> ● 			<p>The Council should develop sustainable, deliverable financial plans to ensure services can be provided within available resources. Specifically, the Council should:</p> <ul style="list-style-type: none"> • Consider its operational plans alongside setting the budget, to ensure that the financial impact of the Council's planned services are appropriately reflected within the budget • Develop savings plans that are achievable in conjunction with delivering the Council's operational plans, in order to reduce the reliance on reserves to fund the budget gap 	<p>The Council's planning process has changed significantly over the past two years. The strategic planning process now accommodates the budget process to promote alignment between the Council's strategic priorities (and hence operational plan) and the accompanying financial plan. The approach to savings objectives has also developed and the monitoring of delivery is now undertaken by a Savings Delivery Board chaired by the s.151. Savings progress is reported through the normal monitoring mechanisms. This includes reporting to Cabinet on the progress of implementing savings proposals.</p>

Value for Money

Identified significant weaknesses in arrangements and recommendations for improvement continued

Identified significant weakness in arrangements	Financial Sustainability	Governance	Improving the 3Es	Recommendation for improvement	Council response
<p data-bbox="104 711 129 731">2</p> <p data-bbox="168 382 308 402">Governance</p> <p data-bbox="168 439 746 891">The Head of Internal Audit's report for 2023/24 gave a limited opinion on the adequacy and effectiveness of the Council's framework of governance, risk management, and control. This conclusion was due to a high proportion of audits reported by Internal Audit in year that gave limited assurance opinions, and the lack of clear evidence that previous audit recommendations raised had been fully implemented. The report included limited assurance opinions within each of the Council's service areas, demonstrating control weaknesses exist across the organisation. Without addressing the weaknesses identified and implementing robust monitoring going forwards, the Council risks developing a weak control environment which ultimately increases the Council's susceptibility to fraud or error.</p> <p data-bbox="168 925 746 1062">In our view the Head of Internal Audit opinion, and the reasons underpinning it, is evidence of a significant weakness in the Council's governance arrangements (how the Council gains assurance over the effective operation of internal controls).</p>				<p data-bbox="1378 354 1595 374">The Council should:</p> <ul data-bbox="1378 396 1977 576" style="list-style-type: none"> <li data-bbox="1378 396 1977 476">• Appropriately respond to recommendations made by internal audit, and take actions as required to address those recommendations <li data-bbox="1378 496 1977 576">• Implement robust monitoring processes to track progress made against internal audit recommendations 	<p data-bbox="2015 354 2425 576">Across 2024/25 Internal Audit have embedded a recommendation tracking process that allows monthly reporting on the status of audit recommendations to Executive Directors. This is also reported directly to the Corporate Management Team and ultimately to the Audit Committee.</p>

Appendices

A: Draft management representation letter

B: Draft audit report

C: Confirmation of our independence



Appendix A: Draft management representation letter

Forvis Mazars
One St Peter's Square
Manchester
M2 3DE

Dear Daniel Watson,

Derbyshire County Council - Audit for Year Ended 31 March 2024

This representation letter is provided in connection with your audit of the financial statements of Derbyshire County Council for the year ended 31 March 2024. I note that you intend to issue a disclaimer of opinion in respect of your audit. I understand I am still required to provide the representations set out in this letter so you can complete your audit in accordance with relevant auditing standards.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code, as amended by the Code Update and applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Council you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Director of Finance that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Council and committee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Council's financial position, financial performance and cash flows.

Accounting estimates, including those measured at current and/or fair value

I confirm that the methods, significant assumptions and the data used by the Council in making the accounting estimates, including those measured at current and/or fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

I confirm that I am satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities for IAS19 disclosures are consistent with my knowledge. I confirm that all settlements and curtailments have been identified and properly accounted for. I confirm that all significant retirement benefits have been identified and properly accounted for (including any arrangements that are statutory, contractual or implicit in the employer's actions, that arise in the UK or overseas, that are funded or unfunded).

I confirm I have assessed the impact of any asset ceiling to be calculated on pension scheme assets and ensured, where applicable, that accounting adjustments have been made.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Council have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code, as amended by the Code Update and applicable law.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

Appendix A: Draft management representation letter

The Council has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Council has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as Director of Finance for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Council involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code, as amended by the Code Update and applicable law.

I have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which I am aware.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment and intangible assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Charges on assets

All the Council's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments

The Council has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Service Concession Arrangements

I am not aware of any material contract variations, payment deductions or additional service charges in 2023/24 in relation to the Council's service concession arrangements that you have not been made aware of.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by the Code Update and applicable law, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Impacts of Russian Forces entering Ukraine

I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Council, including the impact of mitigation measures and uncertainties, and that any disclosure in the Narrative Report fairly reflects that assessment.

Covid-19

I confirm that I have carried out an assessment of the potential impact of the Covid-19 Virus pandemic on the business, including the impact of mitigation measures and uncertainties and that any disclosure in the Narrative Report fairly reflects that assessment.

Appendix A: Draft management representation letter

Brexit

I confirm that I have carried out an assessment of the impact of the United Kingdom leaving the European Union, including the impact of the Trade and Cooperation Agreement, and that any disclosure in the Narrative Report fairly reflects that assessment.

Going concern

To the best of my knowledge there is nothing to indicate that the Council will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts. **Annual**

Governance Statement

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

The disclosures within the Narrative Report fairly reflect my understanding of the Council's financial and operating performance over the period covered by the financial statements.

Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (Value for Money arrangements)

I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on value for money arrangements.]

Yours faithfully,

Director of Finance

Appendix B: Draft audit report

Independent auditor's report to the members of Derbyshire County Council

Report on the audit of the financial statements

Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of Derbyshire County Council ("the Council") for the year ended 31 March 2024, which comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Movement in Reserves 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 2023/24.

We do not express an opinion on the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations require the Council to publish its Accountability Statements, which include the financial statements and auditor's opinion for the year ended 31 March 2024, by 28 February 2025 ('the backstop date').

The backstop date introduced by the Amendment Regulations has impeded our ability to complete the necessary audit procedures in relation to the valuation of buildings which have been valued based on depreciated replacement cost. There has been insufficient time to perform all necessary procedures. Consequently, we have not been able to obtain sufficient appropriate evidence to provide a basis for an audit opinion on these financial statements.

Responsibilities of the Director of Finance for the financial statements

As explained more fully in the Statement of Responsibilities, the Director of Finance 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 2023/24, and for being satisfied that they give a true and fair view. The Director of Finance is also responsible for such internal control as the Director of Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Finance is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and prepare the financial statements on a going concern basis on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Director of Finance is responsible for assessing each year whether or not it is appropriate for the Council to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Council's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. In reaching this judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

We are independent of the Council 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.

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.

Report on the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

Appendix B: Draft audit report continued

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weaknesses in the Council’s arrangements for the year ended 31 March 2024:

Significant weakness in arrangements	Recommendation
<p>Financial Sustainability</p> <p>The Council has relied on reserves to support its financial position in 2023/24 and fell significantly short on its aggregated target savings for 2023/24. In our view the level of unachieved savings, and the significant planned and unplanned use of reserves to fund the resulting budget gap is evidence of a significant weakness in the Council’s arrangements for financial sustainability.</p> <p>In addition, the 2023/24 service plans were finalised after the budget had been approved. We believe the lack of connection between financial and operational plans is further evidence of a significant weakness in the Council’s arrangements for financial sustainability.</p>	<p>The Council should develop sustainable, deliverable financial plans to ensure services can be provided within available resources.</p>
<p>Governance</p> <p>The Head of Internal Audit’s report for 2023/24 gave a limited opinion on the adequacy and effectiveness of the Council’s framework of governance, risk management, and control because of a high proportion of audits in year that gave limited assurance opinions, and the lack of clear evidence that previous audit recommendations raised had been fully implemented. In our view the Head of Internal Audit opinion, and the reasons underpinning it, is evidence of a significant weakness in the Council’s governance arrangements.</p>	<p>The Council should appropriately respond to recommendations made by internal audit, take actions to address those recommendations, and implement robust monitoring processes to track progress made against internal audit recommendations.</p>

Responsibilities of the Council

The Council is responsible for putting in place proper arrangements to secure 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.

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council 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 Council’s arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

We are also required by the Code of Audit Practice, to give an opinion on whether other information published together with the audited financial statements, is consistent with the financial statements. Because of the matter described in the Basis for Disclaimer of Opinion section we do not express an opinion on the financial statements. We also do not express an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

Appendix B: Draft audit report continued

Use of the audit report

This report is made solely to the members of Derbyshire County Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 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 members of the Council 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 members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Certificate

We cannot formally conclude the audit and issue an audit certificate until we have completed:

- the work necessary to issue our assurance statement in respect of the Council's Whole of Government Accounts consolidation pack; and
- our work on an objection raised in relation to the Council's financial statements for the year ended 31 March 2024.

Daniel Watson, Key Audit Partner

For and on behalf of Forvis Mazars LLP

One St Peter's Square

Manchester

M2 3DE

Appendix C: Confirmation of our independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.

Contact

Forvis Mazars

Daniel Watson

Key Audit Partner

Daniel.Watson@mazars.co.uk

07909 985 324

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: GB 839 8356 73

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