

# New Forest National Park Authority

Provisional audit results report  
Year ended 31 March 2025  
8 September 2025



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



Shape the future  
with confidence



New Forest National Park Authority,  
Lymington Town Hall,  
Avenue Road,  
Lymington,  
SO41 9ZG

8 September 2025

Dear Authority Members,

2024/25 Provisional audit results report

We attach our provisional audit results report, summarising the status of our audit for the forthcoming meeting of the Authority. We will update the Authority at its meeting scheduled for 16 October 2025 on further progress to that date and explain the remaining steps to the issue of our final opinion.

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

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

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

We welcome the opportunity to discuss the contents of this report with you at the Authority meeting on 16 October 2025.

Yours faithfully

Simon Mathers  
Partner, For and on behalf of Ernst & Young LLP  
Enc

# Contents

- 01 Executive Summary
- 02 Areas of Audit Focus
- 03 Value for Money
- 04 Audit Report
- 05 Audit Differences
- 06 Assessment of Control Environment
- 07 Other Reporting Issues
- 08 Independence
- 09 Appendices

Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits>)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Authority and management of New Forest National Park Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Authority and management of New Forest National Park Authority those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Authority and management of New Forest National Park Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

# Executive Summary

# Executive Summary – Context for the audit

## Context for the audit - Measures to address local audit delays

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

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

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

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

As reported in our 8 January 2025 Audit Results Report we issued a disclaimer of opinion on the Authority's 2023/24 financial statements, and as reported in our 30 October 2024 Audit Completion Report we issued a disclaimer of opinion on the Authority's 2022/23 financial statements under these arrangements to reset and recover local government audit.

In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances. As a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over some brought forward balances from 2023/24 where we did not gain assurance (the opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all the 2023/24 comparative balances disclosed in the 2024/25 financial statements.

At the time of writing, we have also been unable to complete all our procedures in relation to some 2024/25 closing balance sheet and in-year transactions. Taken together with the requirement to conclude our work by the 2024/25 back stop date, the lack of evidence over these movements and balances mean we are currently unable to conclude that the 2024/25 financial statements are free from material and pervasive misstatement of the financial statements. We would therefore be required to issue a disclaimed 2024/25 audit opinion. However, satisfactory resolution of those outstanding items detailed throughout this report and specifically in Appendix D would result in the issuing of a qualified 2024/25 audit opinion and good progress towards full rebuild.

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

# Executive Summary – Context for the audit

## Scope update

In our Audit Planning Report presented at the 2 June 2025 Resources, Audit and Performance Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

- Changes in materiality: We updated our planning materiality assessment using the draft consolidated results and have also reconsidered our risk assessment. Based on our materiality measure of gross revenue expenditure on services, we have updated our overall materiality assessment to £121k (Audit Planning Report – £99k). This results in updated performance materiality, at 75% of overall materiality, of £91k, and an updated threshold for reporting misstatements of £6k.

## Status of the audit

Our audit work in respect of the opinion is ongoing. Details of each outstanding item, actions required to resolve and responsibility is included in Appendix D.

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

## Value for Money

In our Audit Planning Report dated 10 April 2025 and presented at the 2 June 2025 Resources, Audit and Performance Committee meeting, we reported that we had completed our value for money (VFM) risk assessment and we had identified no risks of significant weaknesses in arrangements. Having updated and completed the planned procedures in these areas we did not identify a significant weakness. See Section 03 of the report for further details.

## Audit differences

Subject to full completion of outstanding work set out at Appendix D:

- Uncorrected misstatements decrease usable reserves by £8k which relates in full to current-year differences.
- Management plan to correct misstatements amounting to £90k.
- In addition to the above, disclosure misstatements have been identified, including in relation to the disclosure of the implementation of IFRS 16 Leases. Management also plan to correct for these within the financial statements.

## Other reporting issues

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

We have not yet completed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts.

# Executive Summary (cont'd)

## Areas of audit focus

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

Risk	Status of our work
Misstatement due to fraud or error	We are still completing our work on journals testing in this area.
Risk of fraud in revenue and expenditure recognition, through inappropriate capitalisation of revenue expenditure	We have completed our testing over Property, Plant and Equipment additions and have not identified any misstatements or instances of inappropriate capitalisation of revenue expenditure. However, our testing of Revenue Expenditure Funded by Capital under Statute (REFCUS) transactions remains ongoing, along with our testing of significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.
Pension Liability / Asset Valuation	Our work in this remains ongoing as we are awaiting receipt of an updated IAS 19 report from the actuary and assurances from the auditors of Hampshire Pension Fund. The need to obtain an updated report resulted from an error in the report originally produced by the actuary.
IFRS 16 Implementation	Progress has been made in testing the right of use asset and related lease liability included in the financial statements at both the implementation date and year-end. However, work remains outstanding to fully agree the accounting treatment included in the financial statements and disclosure notes and complete our testing of the completeness and adequacy of those financial statement disclosures. We expect to report errors or omissions in disclosures and for related amendments to be made to the financial statements.

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

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

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

# Executive Summary (cont'd)

## Control observations

We have adopted a fully substantive approach, so have not tested the operation of controls.

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

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware. However, during the audit, we identified observations and improvement recommendations in relation to management's financial processes and controls for related Parties. Specifically, our testing showed that some member declaration forms were not completed during the annual member declaration confirmation process. We raise a related recommendation for improvement in Section 06.

## Independence

Please refer to Section 08 for our update on Independence.

# Executive Summary (cont'd)

## Factors impacting the execution of the audit

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

Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements	Effective			The financial statements were published by the 30 <sup>th</sup> June 2025 deadline set out in the Accounts and Audit Regulations.	N/A
Quality and completeness of the draft financial statements	Effective			Although some misstatements have been identified in the draft financial statements and accompanying disclosures, we did not identify a significant number of material internal inconsistencies or arithmetic errors in the draft accounts that should have been detected through internal quality review prior to publication.	N/A
Delivery of working papers in accordance with agreed client assistance schedule	Effective			Working papers were provided to the agreed timetable.	N/A
Quality of working papers and supporting evidence	Effective			Working papers and supporting evidence were generally of an adequate standard. However, as detailed on page 16 of this report, some discrepancies were identified in the working papers provided to support the IFRS 16 calculations and associated accounting treatment.	N/A
Timeliness and quality of evidence supporting key accounting estimates	Effective			The quality of evidence and explanations to support key accounting estimates was generally of a good standard and was provided on a timely basis. Whilst a revised IAS 19 report has been requested in relation to the Pension Liability estimate, this arose as a result of a misstatement by the actuary and was not a result of the work performed by management.	N/A
Access to finance team and personnel to support the audit in accordance with agreed project plan	Requires improvement			Although management were available to support the audit, and the working papers prepared were generally of an adequate standard, delays were experienced in relation to a number of audit requests. This included areas of our audit identified as risks in the Audit Planning Report, such as the implementation of IFRS 16. As a result, we were not able to complete our audit in line with the initial project plan communicated. Further resources were provided in August 2025, but responses were not provided to a number of audit requests in line with this additional resource. This lack of response adversely impacted our ability to progress our planned procedures in some areas, which in turn impacted the efficiency of our approach. Further detail on this has been provided on the following page.	We expect to raise a scale fee variation in respect of this. See Section 08 for further details.

# Executive Summary (cont'd)

## Factors impacting the execution of the audit (cont'd)

Area	Status			Explanation	Further detail
	R	A	G		
Volume and value of identified misstatements	Effective			We did not detect a significant number of material misstatements as a result of our work. However, we note that testing on some risk areas such as the implementation of IFRS 16 remains ongoing.	See Section 05 for details of corrected misstatements.
Volume of misstatements in disclosure	Effective			A relatively small number of misstatements in disclosure were detected in our work.	N/A

## Access to finance team and personnel to support the audit in accordance with agreed project plan

During the audit, there were a number of key audit areas for which responses were not received from the finance team, and other personnel, on a timely basis, some of which are set out on page 16 of this report.

The audit visit was scheduled to be undertaken from 23 May 2025 to 27 June 2025, with our main resource focused on the weeks of 2 June 2025 to 20 June 2025. A number of delays were identified in the response to audit queries, for which the agreed turnaround time was 3 days as consistent with previous audit years. These delays were experienced across our audit procedures, and in addition to those set out on page 16, further examples include:

- Unrecorded Liabilities Sample Testing: Evidence to support the initial sample selected was delivered 5 working days after the due date set.
- Expenditure Sample Testing: Evidence to support the initial sample selected was delivered 7 working days after the due date set.
- Income Sample Testing: Evidence to support the initial sample selected was delivered 5 working days after the due date set.
- PPE Additions Sample Testing: Evidence to support the initial sample selected was delivered 2 working days after the due date set.
- Taxation and Non-Specific Grant Income Sample Testing: Evidence to support the initial sample selected was delivered 45 working days after the due date set.
- PPE Existence Sample Testing: A request for evidence to support the existence of a sample of PPE assets was sent on 6 June 2025 and remains outstanding at the date of writing.
- Grants Credited to the Net Cost of Services Sample Testing: A request for evidence to support the existence of a sample of grants credited to the Net Cost of Services was sent on 5 June 2025 and remains outstanding at the date of writing.
- Trade Debtors Existence Sample Testing: Follow up queries were sent on 12 June 2025 and were not returned until 18 August 2025.

As a result of the delays experienced, a significant proportion of work remained outstanding at the end of the initial audit visit. As a consequence, a further audit visit for the week of 18 August 2025 was needed and agreed. This allowed 25 working days for responses to be received to those outstanding evidence requests. Although some responses were received, some remained outstanding. Whilst management did work with us to prioritise key audit requests and responses, the outstanding requests during this period meant that outstanding work was unable to be fully completed during this follow-up visit. At the time of writing, 11 requests which were due prior to the follow-up visit remain outstanding, along with a further 9 requests which were either returned during that week or during the week of 1 September 2025.



02

## Areas of Audit Focus

# Areas of Audit Focus

## Presumptive risk of management override of controls (Fraud risk)

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

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

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

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

### What is the status of our work?

- Our work in respect of estimates remains ongoing as detailed on page 14 of this report.
- Our testing of journal entries for proper posting for genuine business reasons is ongoing. This is because we have needed to ask some follow up questions or clarify the evidence requested.

From the work performed to date, we have not identified any material issues, inappropriate judgements or significant unusual transactions which indicated that there had been any misreporting of the Authority's financial position, or that management had overridden control.

### Our response to the key areas of challenge and professional judgement

In response to this risk, we undertook the following procedures:

- We Identified fraud risks during the planning stages.
- We Inquired of management about risks of fraud and the controls put in place to address those risks.
- We gained an understanding of the oversight given by those charged with governance of management's processes over fraud.
- We discussed with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions).
- We considered whether there are any fraud risk factors associated with related party relationships and transactions and if so, whether they give rise to a risk of material misstatement due to fraud.
- We considered the effectiveness of management's controls designed to address the risk of fraud.
- We determined an appropriate strategy to address those identified risks of fraud.
- We performed mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements.
- We undertook procedures to identify significant unusual transactions.
- We considered whether management bias was present in the key accounting estimates and judgments in the financial statements.

### What else did we do?

As part of our risk evaluation, we have considered whether we need to perform other audit procedures not referred to above. We concluded that those procedures included under 'Inappropriate capitalisation of revenue expenditure' are required.

# Areas of Audit Focus (cont'd)

## Inappropriate capitalisation of revenue expenditure (Fraud risk)

### What is the risk?

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

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

### Our response to the key areas of challenge and professional judgement

In response to this risk, we undertook the following procedures:

- We tested Property, Plant and Equipment (PPE) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature.
- We assessed whether the capitalised spend clearly enhances or extends the useful life of asset rather than simply repairing or maintaining the asset on which it is incurred.
- We considered whether any development or other related costs that have been capitalised are reasonable to capitalize, i.e., the costs incurred are directly attributable to bringing the asset into operational use.
- We tested REFCUS to ensure that it is appropriate for the revenue expenditure incurred to be financed from ringfenced capital resources.
- We sought to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

### What is the status of our work?

We have completed our testing of PPE additions and have not identified any evidence of inappropriate capitalisation of revenue expenditure.

Based on our sample testing of PPE additions, we have not identified any instances where costs were not capital in nature.

Our testing over REFCUS transactions remains ongoing. We sought to obtain a listing of all REFCUS transactions which form the balance of £395k as disclosed in the financial statements from management. Management have explained that the expenditure incurred during the year related to 4 differing grants or schemes, being Access for All, Farming in Protected Landscapes, Developer Contributions and the National Park Grant funding, for which there was revenue and capital funding available. The expenditure incurred against these schemes exceeded the capital funding provided, and therefore, the REFCUS balance disclosed within the financial statements was capped at the amount of capital funding provided. As a result, management were unable to provide a breakdown of expenditure which agreed to the balance of £395k disclosed in the financial statements. We continue to challenge management on the classification of expenditure as REFCUS. The classification of expenditure as REFCUS or otherwise should be based on the nature of the expenditure incurred as opposed to nature of the funding received for it.

We have selected a sample of the expenditure incurred in relation to the 4 grants and schemes, which management has split between REFCUS and revenue expenditure. However, this transaction listing from which the sample was selected was not provided until 18 June 2025, being the second to last week of our planned audit visit rather than at commencement of the audit. Initial evidence for the selected sample of 23 transactions was not provided until 26 June 2025, prior to completion of the audit visit on 27 June. As a result, insufficient time was available to review and challenge the evidence provided. As a result, testing remains ongoing. To prove the expenditure is REFCUS, the Authority will need to show that it relates to assets not owned by the Authority and is capital in nature. If not capital in nature, the item should be classified as revenue expenditure. If capital in nature but relating to an asset owned by the Authority, this will result in the creation of a capital asset which needs to be financed. It is therefore important that the accounting treatment adopted, and disclosures in the financial statements, reflect the true nature of the expenditure.

Our work over significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year remains ongoing.

# Areas of Audit Focus (cont'd)

## Pension Liability / Asset Valuation (Risk of Material Misstatement)

### What is the risk?

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

The Authority's pension fund balance is a material estimated balance and the Code requires that this balance be disclosed on the Authority's balance sheet. At 31 March 2025 this balance was nil due to the application of IFRIC 14 in relation to the asset ceiling.

The information disclosed is based on the IAS 19 report issued to the Authority by the actuary.

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

### Our response to the key areas of challenge and professional judgement

In response to this risk, we undertook the following procedures:

- We liaised with the auditors of Hampshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the Authority
- We assessed the work of the pension fund actuary including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considering any relevant reviews by the EY actuarial team
- We evaluated the reasonableness of the Pension Fund actuary's calculations by comparing them to the outputs of our own auditor's specialist's model; and
- We reviewed and test the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19.

### What is the status of our work?

In response to the requirements of ISA540, the auditing standard on accounting estimates, we based our audit approach on procedures to evaluate management's process. The standard requires auditors to test the method of measurement of accounting estimates to determine whether the model is appropriately designed, consistently applied and mathematically accurate, and that the integrity of the assumptions and the data has been maintained in applying the model. Neither we, nor PWC as consulting actuaries commissioned by the NAO for all local public sector audits, are able to access the detailed models of the actuaries in order to evidence these requirements. Therefore, we undertook further procedures to create an auditor's estimate, to gain assurance. We employed the services of an EY pensions specialist to review the Authority's IAS 19 report and run a parallel actuarial model which was compared to that produced by the Hymans Robertson. This review also included a review of the application of IFRIC 14 on the year-end liabilities.

No misstatements were identified as a result of this work performed by our EY pensions specialist or the other work performed to date. However, we have been made aware that the actuary has identified a discrepancy in the actuarial valuation performed which impacts the IAS 19 report that the Authority received. The Authority has therefore requested an updated IAS 19 which we will be required to review on receipt and note that this has the potential to have a material impact in the balances disclosed within the Authority's financial statements.

In addition, we note that assurances from the auditors of Hampshire Pension Fund remain outstanding.

# Areas of Audit Focus (cont'd)

## IFRS 16 Implementation (Risk of Material Misstatement)

### What is the risk?

IFRS 16 Leases was applicable in local government for periods beginning 1 April 2024. It has been adopted, interpreted and adapted in the 2024/25 CIPFA Code of Practice on Local Authority Accounting which sets out the financial reporting framework for the Authority's 2024/25 accounts.

IFRS 16 eliminates the operating/finance lease distinction for leases and imposes a single model geared towards the recognition of all but low-value or short-term leases. Where the Authority is a lessee, these will now be recognised on the Balance Sheet as a 'right of use' asset and lease liability reflecting the obligation to make lease payments.

Successful transition depends on the Authority having captured additional information about leases, both new and existing, especially regarding future minimum lease payments. The Authority will also have had to develop systems for capturing cost information that are fit for purpose, can respond to changes in lease terms and the presence of any variable (e.g., RPI-based) lease terms where forecasts will need to be updated annually based on prevailing indices.

The Authority performed an initial impact assessment in 2023/24 and expected to recognise a right of use asset of £279k which is material to our responsibilities. However, we noted in our 2023/24 Audit Results Report that this value did not include the required discounting to present value, and instead, was reflective of the contractual cash flows. We have therefore included the implementation of IFRS 16 as a new inherent risk.

### Our response to the key areas of challenge and professional judgement

In response to this risk we undertook the following procedures:

- We gained an understanding of the processes and controls developed by the Authority relevant to the implementation of IFRS 16. We paid particular attention to the Authority's arrangements to ensure lease and lease-type arrangements considered are complete.
- We reviewed the discount rate that is used to calculate the right of use asset and assess its reasonableness.
- We reviewed management policies, including whether a portfolio approach and / or low value threshold was used, and asset classes where management adopted the practical expedient to non-lease components.
- We gained assurance over the right of use asset included in the 2024/25 financial statements.
- We sample tested leases to ensure that transition arrangements have been correctly applied.
- We considered the accounting for leases provided at below market rate, including peppercorn and nil consideration, and the need to make adjustments to cost in the valuation of right of use assets at the balance sheet date.

### What else did we do and further relevant information

Our testing followed a fully substantive approached and considered the judgements and assumptions employed by management.

We gained an understanding of the calculation methodology employed by management and also considered the disclosures which have been included in the Authority's financial statements to ensure compliance with the CIPFA Code of Practice of Local Authority Accounting requirements.

# Areas of Audit Focus (cont'd)

## IFRS 16 Implementation (Risk of Material Misstatement)

### What is the status of our work?

At the time of writing our testing in this area remains ongoing.

We have confirmed that there is one lease for which a right of use asset and lease liability has been created as at 1 April 2024. As a result we obtained a copy of the calculation performed by management. We identified that that management have performed this calculation on an annual cycle, rather than splitting by months to align with the payment dates contained in the lease, which are on a quarterly basis. Due to the value of the overall balance in comparison to our materiality, we have challenged management to show there is not a material difference between the calculation on a monthly basis compared to an annual basis. This query was sent to management on 4 June 2025 and remains outstanding.

Work also remains ongoing to assess the IFRS 16 disclosures and accounting policies contained within the financial statements, including understanding how they have been calculated and determined, and their compliance with the CIPFA Code of Practice of Local Authority Accounting requirements. For example, the financial statements should detail the transitional arrangements adopted on implementation. Our queries on IFRS 16 disclosures were sent to management on 20 August 2025 and remain outstanding.

Work is also ongoing to assess how transactions arising as a result of the implementation of IFRS 16 have been posted in the final ledger and reflected in the financial statements, and how the right of use asset has been financed. In undertaking this work we have noted that:

- The Cash Flow Statement incorrectly assumes that the right of use asset has been funded through a cash payment. Management are still determining the adjustment that will be needed to correct this. This query was sent to Management on 18 June 2025 and remains outstanding.
- The right of use asset needs to be financed and should increase the Capital Financing Requirement. Inconsistencies have been identified between the Capital Financing Requirement disclosure, which states that the implementation has been fully funded in the year, and the Capital Adjustment Account, which states that a Minimum Revenue Provision (MRP) charge has been levied to finance the implementation over the period of the lease term. Financing by the way of a MRP charge is the correct accounting treatment. Management have confirmed that this inconsistency will be corrected in the revised financial statements.
- Despite posting a MRP Charge of £91k to the financial statements in the year, the Authority has not established and approved an MRP policy which would be expected when MRP is required to be charged. In addition, we have yet to obtain a copy of the calculation of the MRP charge to enable us to complete our testing in this area. These queries were sent to Management on 5 June 2025 and remain outstanding. We are also awaiting responses to questions concerning how the MRP charge has been accounted for in the Expenditure and Funding Analysis during the year. This query was sent to Management on 19 June 2025 and remains outstanding.
- The creation of a right of use asset has also resulted in the requirement to charge depreciation on the asset. This appears to have been incorrectly excluded from the adjustments made in the Adjustments between Accounting and Funding Basis disclosure note. We have challenged management to understand how the depreciation has been accounted for in the financial statements and disclosure notes and this remains outstanding.



03

## Value for Money

# Value for Money

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

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

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

## Risk assessment and status of our work

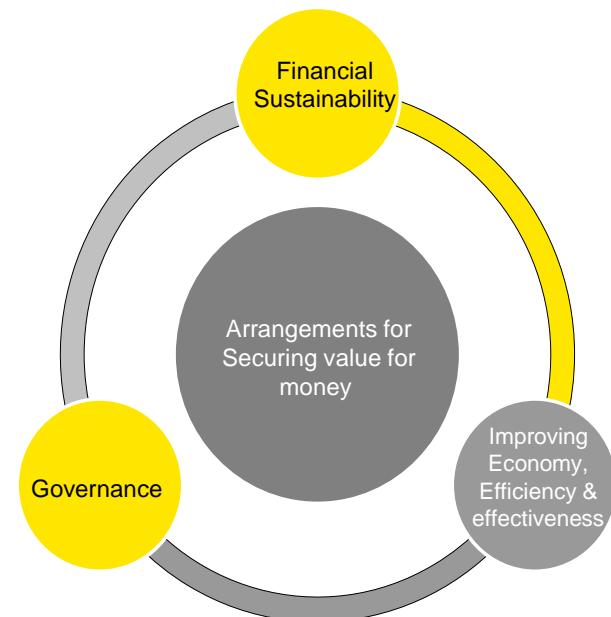
We are required to consider whether the Authority has made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

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

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

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

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





# 04 Audit Report

# Audit Report

## Draft audit report

At the time of writing, due to the areas of audit work outstanding (as detailed in Appendix B), we anticipate that the audit opinion will be disclaimed. However, this is subject to change pending the completion of our audit work in the time available, satisfactory completion of which would result in a qualified audit opinion being issued and constitute good progress towards full rebuild. The wording of the audit opinion will be provided in due course.



05

## Audit Differences

# Audit Differences

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

## Summary of adjusted differences

We highlight the following misstatements greater than £6k which have been corrected by management that were identified during the course of our audit:

- An understatement of £89k has been identified in relation to Developer Contributions held as a Long Term Liability. This related to three grants of which two were incorrectly classified as income during the year, and should have been held on the Balance Sheet as Liability and one was incorrectly held on the Balance Sheet as a Liability, and should have been classified as income during the year. This has resulted in a corresponding overstatement of income.

In addition to the above, our testing over Property, Plant and Equipment (PPE) disposals identified an asset which had been accounted for as if the asset was fully depreciated at the point of disposal but this was not the case. As a result, a balance of £1k was incorrectly retained in the closing PPE balance at 31 March 2025, which should have been removed on disposal. Whilst not material, discussions with management have confirmed that they plan to adjust for this item to ensure accuracy of the Fixed Asset Register and PPE balance which is carried forward into future financial years.

Disclosure misstatements have also been identified in the financial statements, including in relation to IFRS 16 Leases disclosures. From our discussions with Management, we expect that these will be adjusted within the financial statements.

# Audit Differences (cont'd)

## Summary of unadjusted differences

In addition we highlight the following misstatements to the financial statements and/or disclosures which were not corrected by management. We ask that the Authority request of management that these uncorrected misstatements be corrected or a rationale as to why they are not corrected be considered and approved by the Authority and provided within the Letter of Representation:

	Effect on the current period		Net assets (Decrease)/Increase			
	OCI Debit/(Credit)	Income statement Debit/(Credit)	Assets current Debit/ (Credit)	Assets non-current Debit/ (Credit)	Liabilities current Debit/ (Credit)	Liabilities non-current Debit/ (Credit)
Uncorrected misstatements 2024/25 (Currency'000)						
Errors						
Judgemental differences:						
Short-Term Creditors: Understatement of Short-Term Creditors due to the incorrect valuation of an outstanding balance at 31 March 2025. (Note 1)			8		(8)	
Cumulative effect of uncorrected misstatements			8		(8)	

There are no amounts that we identified that are individually or in aggregate material to the presentation and disclosures of the consolidated financial statements for the year ended 31 March 2025.

Note 1: as noted in Appendix D, our testing over Short-Term Creditors remains ongoing. The value included here is the current projected misstatement identified. This is, however, subject to change on completion of our procedures in this area.



06

## Assessment of Control Environment

# Assessment of Control Environment

## Financial controls

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

We have not identified any significant control deficiencies during the course of our audit. However, during the audit we identified some observation and improvement recommendations in relation to Management's financial processes and controls.

## Related Parties

As part of our work on the identification and disclosure of related party transactions in the financial statements, we observed that some declaration forms were not updated on a timely basis. This results in an increased risk of the inaccurate and incomplete disclosure of related party transactions in the Authority's accounts. This is consistent with the finding and recommendation included in our 2023/24 Audit Results Report.

### *Recommendation:*

Member declaration forms should be completed on a timely basis to ensure that related parties are sufficiently disclosed.

### *Management Response:*

The Authority agrees with the importance of timely declarations and will update its processes accordingly to ensure these are correctly filed in future.



07

## Other Reporting Issues

# Other Reporting Issues

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

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

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

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

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

## Whole of Government Accounts

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

We have not performed the procedures required by the NAO on the Whole of Government Accounts submission as they have yet to issue the group instructions. We cannot issue our Audit Certificate until the NAO has confirmed no further procedure are required.

## Other powers and duties

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

We did not identify any issues which required us to issue a report in the public interest.



08

## Independence

# Independence

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

## Confirmation

We are not aware of any inconsistencies between the company's policy for the supply of non-audit services and FRC Ethical Standard. We are not aware of any apparent breach of that policy.

We confirm that, in our professional judgment, EY is independent, our integrity and objectivity is not compromised and we have complied with the FRC Ethical Standard.

We confirm that your engagement team (partners, senior managers, managers and all others involved with the audit) and others within the firm, the firm and network firms have complied with relevant ethical requirements regarding independence.

We confirm that the independence threats created by the level of the audit fees are at an acceptable level.

We confirm that we have communicated with the Authority, information about the proposed non-audit service to enable them to make an informed assessment about the independence impact of the provision of the proposed services. There are no non-audit services in relation to the New Forest National Park Authority.

We have re-affirmed the general policy/process for pre-concurrence with those charged with governance and obtained specific pre-concurrence for services not covered by the general policy. We re-affirm this annually.

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the period ended 30 June 2024 and can be found here: [EY UK Transparency Report](#).

## Relationships

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

## Services provided by EY

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

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

# Independence

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

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

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

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

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our financial statements opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Authority; and
- ▶ The Authority has an effective control environment
- ▶ The Authority complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular, the Authority should have regard to paragraphs 26 - 28 of the Statement of Responsibilities.

If any of the above assumptions prove to be unfounded, we seek a variation to the agreed fee. A narrative summary of the areas where we expect to raise scale fee variations for the audit of the Authority are set out in the fee analysis on this page.

	Current Year	Prior Year
	£	£
Scale Fee – Code Work	46,334	40,100
Proposed scale fee variation	TBD Note 2	30,252 Note 1
<b>Total fees</b>	<b>TBD</b>	<b>70,352</b>

*All fees exclude VAT*

(1) As set in our 2023/24 Audit Results Report, we planned to submit a scale fee variation to PSAA. A scale fee variation has since been submitted to PSAA covering the following areas:

- Additional procedures to implement the revised ISA 315 (UK) auditing standard, totalling £14,498.
- Additional procedures to consider the Authority's readiness for the implementation of IFRS 16 totalling £1,246.
- Work performed by EY Pensions and the audit team to review the assumptions in the Pensions Liability calculation, including the application of IFRIC 14 relating to asset ceilings and the additional work arising because of the need to review two IAS 19 reports as the first report contained an error by the Actuary. This totalled £8,818.
- Additional procedures arising as a result of the modification to our audit report, totalling £5,690.

As at the date of this report that scale fee variation has not yet been determined.

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

- Additional procedures to assess the completeness and accuracy of the Authority's IFRS 16 Leases adjustments and disclosures, arising as a result of the implementation of IFRS 16 in 2024/25. This will include the work required to assess the adjustments made elsewhere in the financial statements, including as detailed on page 16 of this report. PSAA have previously communicated that any additional work required as a result of the implementation of this new accounting standard has not been accounted for within the Scale Fee.
- Additional procedures required to assess the completeness and accuracy of the REFCUS balance disclosed in the financial statements, driven by the determination of this balance being influenced by the funding received as opposed to the expenditure incurred. For further detail on this, see page 13 of this report.
- Additional work and resource required to complete our audit procedures as a result of the delayed responses to audit requests as detailed on pages 9 and 10 of this report.
- Additional procedures required as a result of the modification to our audit report.
- Additional procedures arising as a result of the updated IAS 19 pension report being obtained due to the errors made in the initial report prepared by the actuary.

This is subject to change until the audit is complete and all additional scale fee adjustments are subject to PSAA approval.

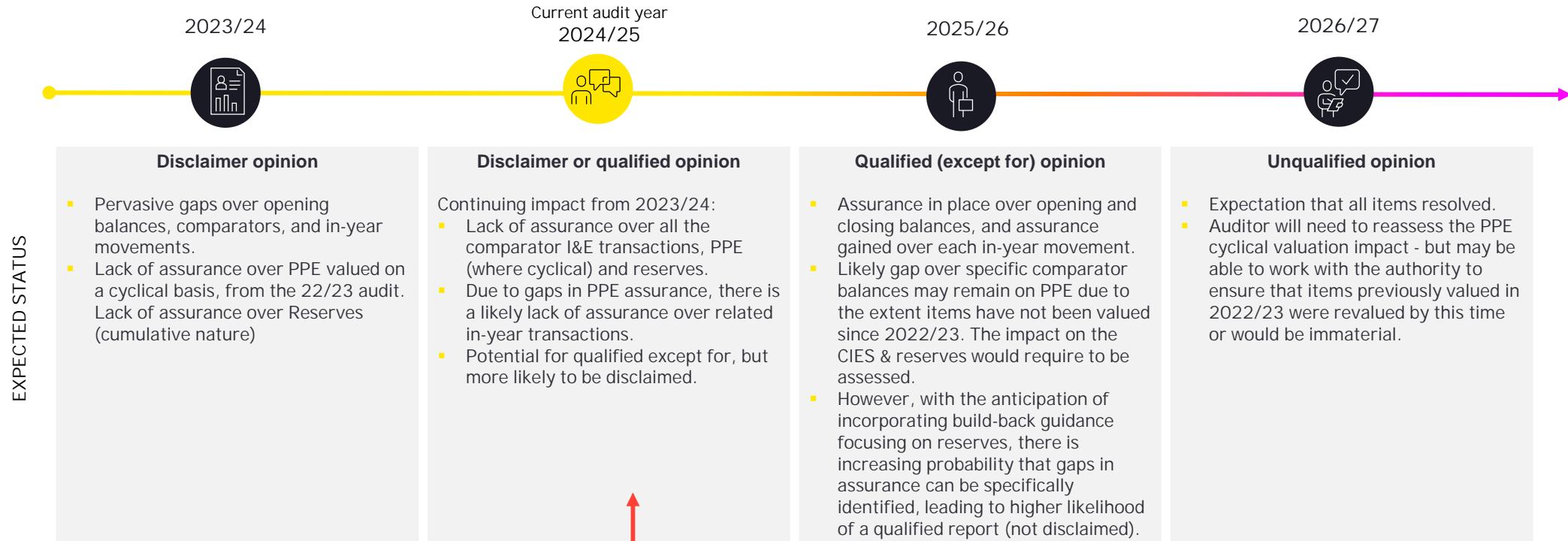


# 09 Appendices

# Appendix A – Progress to full assurance

## Progress to full assurance

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



## CURRENT AUDIT STATUS OF NEW FOREST NATIONAL PARK AUTHORITY

- As set out in the 2023/24 Audit Results Report, there remained a lack of assurance for the 2023/24 financial statements on the income and expenditure transactions which were based on balances disclosed in the 2022/23 financial statements, being the reversal of 2022/23 year-end accruals. Our procedures performed during the 2023/24 audit enabled us to obtain assurance over the closing PPE balances disclosed in the 2023/24 financial statements, which was as a result of the fact that there were no PPE assets revalued during the disclaimed 2022/23 financial year.
- In 2024/25, it was therefore expected that there would be a continuing lack of assurance over reserves, and those comparatives for which full assurance was not obtained in 2023/24. However, the extent of assurance obtained over the other financial statement balances was likely to be sufficient such that a qualified except for opinion could be issued.
- However, due to the extent of outstanding work required to complete the 2024/25 audit, the Authority's current progress is behind the expected timescales set out in LARRIG 01, such that a disclaimed audit opinion would be issued. This is because there are some financial statement balances for which no or limited assurance has currently been obtained in 2024/25. This was a result of the Authority being unable to support the audit in some key areas of testing.
- If outstanding work areas are completed without further issue, we would expect to issue a qualified opinion and be closer to rebuilding full assurance.
- Appendix B sets out in more detail the assurance we have gained by accounts area.

# Appendix B – Updated summary of assurances

## Summary of Assurances

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

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Property, Plant and Equipment ('PPE')	Substantial	Partial*	<p>We have completed testing of the 2023/24 and 2024/25 additions to the fixed asset register and have tested the 2023/24 and 2024/25 depreciation charges. We have confirmed that those assets held at fair value by the Authority were revalued in 2021/22 and have not been subject to revaluation in the intervening period. We have assessed the fair value across this intervening period through to 2024/25 to confirm that the value included in the financial statements is not materially different to the value the asset was revalued.</p> <p>However, at the time of writing (as detailed in Appendix D), we are currently unable to complete our testing over 2024/25 disposals and have also been unable to complete our testing to obtain assurance over the existence of assets on the fixed asset register and the Authority's right to recognise those assets. As a result, are unable to obtain assurance over the closing balance at 31 March 2025.</p>
IFRS 16 Implementation – Right of Use Assets and Lease Liabilities	N/A	Partial*	We note that this balance is new in 2024/25 as a result of the implementation of IFRS 16 Leases. As such, no equivalent balances were presented in the 2023/24 financial statements. Due to the extent of the supporting evidence which remains outstanding at the time of writing (as detailed in Appendix D), we are currently unable to complete our planned audit procedures in this area and, as a result, are unable to obtain assurance over the closing balance at 31 March 2025.
Cash and Cash equivalents	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Short Term Debtors	Substantial	Partial*	Due to the extent of the supporting evidence which remains outstanding at the time of writing (as detailed in Appendix D), we are currently unable to complete our planned audit procedures in this area and, as a result, are unable to obtain assurance over the closing balance at 31 March 2025.
Short Term Investments	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Developer Contributions (Held as a Long Term Liability)	N/A	Substantial	We note that this balance was nil in 2023/24 and as such, no equivalent balances were presented in the 2023/24 financial statements. We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Short Term Creditors	Substantial	Partial*	Due to the extent of the supporting evidence which remains outstanding at the time of writing (as detailed in Appendix D), we are currently unable to complete our planned audit procedures in this area and, as a result, are unable to obtain assurance over the closing balance at 31 March 2025.

# Appendix B – Updated summary of assurances

## Summary of Assurances (continued)

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Local Government Pension Scheme Liability	Substantial	Partial*	<p>Due to the extent of the supporting evidence which remains outstanding at the time of writing (as detailed in Appendix D), we are currently unable to complete our planned audit procedures in this area and, as a result, are unable to obtain assurance over the closing balance at 31 March 2025.</p>
Comprehensive Income and Expenditure Statement – Income and Expenditure recorded in the Net Cost of Services	Partial	Partial*	<p>Our work on grant income credited to the Net Cost of Services remains ongoing (as detailed in Appendix D) along with our testing of non-payroll expenditure, including REFCUS.</p> <p>We completed our other planned testing on the Income and Expenditure recorded in the Net Cost of Services in 2023/24 and 2024/25 but, due to the extent of the supporting evidence which remains outstanding at the time of writing, we are currently unable to complete our planned audit procedures in this area and, as a result, are unable to obtain assurance over the closing balance at 31 March 2025.</p>
Financing and Investment Income and Expenditure	Partial	Partial*	<p>Our work on financing and investment income and expenditure remains ongoing (as detailed in Appendix D). Due to the extent of the supporting evidence which remains outstanding at the time of writing, we are currently unable to complete our planned audit procedures in this area and, as a result, are unable to obtain assurance over the closing balance at 31 March 2025.</p>
Taxation and Non-Specific Grant Income	Substantial	Substantial	<p>We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.</p>
Reserves	None	None	<p>We have completed our work on the movements in reserves in 2023/24 and this work remains ongoing in 2024/25 (as detailed in Appendix D). However, due to their cumulative nature, until we have completed our work programme on the rebuilding of assurance following the disclaimed audit opinions, we are unable to obtain assurance over the useable and unusable reserves of the Authority reported in the financial statements.</p>
Financial Statement Disclosures	Partial	Partial*	<p>Due to the extent of the supporting evidence which remains outstanding at the time of writing (as detailed in Appendix D), we are currently unable to complete our planned audit procedures in this area and, as a result, are unable to obtain assurance over the closing balance at 31 March 2025.</p>
Cash Flow Statement	Partial	Partial*	<p>Due to the extent of the supporting evidence which remains outstanding at the time of writing (as detailed in Appendix D), we are currently unable to complete our planned audit procedures in this area and, as a result, are unable to obtain assurance over the closing balance at 31 March 2025.</p>

\* Based on the work undertaken to date, only partial assurance could be gained on these account areas. However, satisfactory resolution of the outstanding issues in Appendix D would result in substantial assurance being obtained, assuming no further error is detected through our work.

# Appendix C – Required communications with those charged with governance

## Required communications with those charged with governance

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

Required communications	What is reported?	Our Reporting to you	When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.	
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.	
Planning and audit approach	Communication of: <ul style="list-style-type: none"><li>▪ The planned scope and timing of the audit</li><li>▪ Any limitations on the planned work to be undertaken</li><li>▪ The planned use of internal audit</li><li>▪ The significant risks identified</li></ul> When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Audit planning report – 2 <sup>nd</sup> June 2025 Resources, Audit and Performance Committee	
Significant findings from the audit	<ul style="list-style-type: none"><li>▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li><li>▪ Significant difficulties, if any, encountered during the audit</li><li>▪ Significant matters, if any, arising from the audit that were discussed with management</li><li>▪ Written representations that we are seeking</li><li>▪ Expected modifications to the audit report</li><li>▪ Other matters if any, significant to the oversight of the financial reporting process</li></ul>	Provisional Audit results report – 16 <sup>th</sup> October 2025 Authority Meeting	

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

Our Reporting to you		
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>▪ Whether the events or conditions constitute a material uncertainty related to going concern</li> <li>▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▪ The appropriateness of related disclosures in the financial statements</li> </ul>	We have identified no issues to report.
Misstatements	<ul style="list-style-type: none"> <li>▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation</li> <li>▪ The effect of uncorrected misstatements related to prior periods</li> <li>▪ A request that any uncorrected misstatement be corrected</li> <li>▪ Material misstatements corrected by management</li> </ul>	Provisional Audit results report – 16 <sup>th</sup> October 2025 Authority Meeting
Fraud	<ul style="list-style-type: none"> <li>▪ Enquiries of the Authority to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>▪ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> <li>▪ Management;</li> <li>▪ Employees who have significant roles in internal control; or</li> <li>▪ Others where the fraud results in a material misstatement in the financial statements.</li> </ul> </li> <li>▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected</li> <li>▪ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud</li> <li>▪ Any other matters related to fraud, relevant to Authority responsibility.</li> </ul>	Provisional Audit results report – 16 <sup>th</sup> October 2025 Authority Meeting

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

Required communications	What is reported?	When and where	Our Reporting to you
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> <li>▪ Non-disclosure by management</li> <li>▪ Inappropriate authorisation and approval of transactions</li> <li>▪ Disagreement over disclosures</li> <li>▪ Non-compliance with laws and regulations</li> <li>▪ Difficulty in identifying the party that ultimately controls the entity</li> </ul>		We have identified no issues to report.
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>▪ The principal threats</li> <li>▪ Safeguards adopted and their effectiveness</li> <li>▪ An overall assessment of threats and safeguards</li> <li>▪ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul> <p>Communications whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p>		<p>Audit planning report – 2<sup>nd</sup> June 2025 Resources, Audit and Performance Committee</p> <p>Provisional Audit results report – 16<sup>th</sup> October 2025 Authority Meeting</p>
External confirmations	<ul style="list-style-type: none"> <li>▪ Management's refusal for us to request confirmations</li> <li>▪ Inability to obtain relevant and reliable audit evidence from other procedures.</li> </ul>		We have identified no issues to report.
Consideration of laws and regulations	<ul style="list-style-type: none"> <li>▪ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur</li> <li>▪ Enquiry of the Authority into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Authority may be aware of.</li> </ul>		We have identified no issues to report.
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> <li>▪ Significant deficiencies in internal controls identified during the audit.</li> </ul>		Provisional Audit results report – 16 <sup>th</sup> October 2025 Authority Meeting

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

Required communications	What is reported?	Our Reporting to you
		When and where
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> <li>Written representations we are requesting from management and/or those charged with governance</li> </ul>	Provisional Audit results report – 16 <sup>th</sup> October 2025 Authority Meeting
System of quality management	<ul style="list-style-type: none"> <li>How the system of quality management (SQM) supports the consistent performance of a quality audit</li> </ul>	Provisional Audit results report – 16 <sup>th</sup> October 2025 Authority Meeting
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> <li>Material inconsistencies or misstatements of fact identified in other information which management has refused to revise</li> </ul>	Provisional Audit results report – 16th October 2025 Authority Meeting
Auditors report	<ul style="list-style-type: none"> <li>Key audit matters that we will include in our auditor's report</li> <li>Any circumstances identified that affect the form and content of our auditor's report</li> </ul>	Provisional Audit results report – 16 <sup>th</sup> October 2025 Authority Meeting

# Appendix D – Outstanding matters

## Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
IFRS 16 Implementation	<p>Please see page 16 of this report for further details as to the work ongoing in relation to the implementation of IFRS 16. At the time of writing, the ongoing work is associated with the following balances and disclosures:</p> <ul style="list-style-type: none"><li>▪ Right of Use Assets</li><li>▪ Lease Liabilities (disclosed as the Right of Use Liability in the draft financial statements)</li><li>▪ Expenditure and Funding Analysis</li><li>▪ Capital Financing Requirement and Minimum Revenue Provision</li><li>▪ Adjustments between the Accounting and Funding Basis</li><li>▪ Cash Flow Statement</li></ul>	EY and management
Trade Receivables	<p>EY to obtain and review an explanation for management which supports the difference between the year-end VAT receivable balance disclosed in the financial statements and the year-end VAT return.</p> <p>EY to obtain and review responses to queries on 4 year-end debtor balances.</p>	EY and management
Property, Plant and Equipment	<p>EY to obtain and review supporting evidence for a sample of 5 disposals of PPE. Testing over a sample of 8 assets to support their existence also remains ongoing, with the supporting evidence remaining pending from management.</p>	EY and management
Short Term Creditors	<p>EY to obtain and review responses related to 2 queries on the accumulated absences year-end accrual and 2 queries in relation to the other short term creditors balance.</p>	EY and management
Pension Liability / Asset	<p>EY to obtain and review the updated IAS 19 report once provided from the Pension Fund Actuary.</p> <p>EY to review assurances provided from the Pension Fund Auditor once received.</p>	EY and management
Government Grants Credited to the Net Cost of Services	<p>EY to obtain and review supporting evidence for a sample of 11 grants for which the income was credited to the Net Cost of Services during the financial year.</p>	EY and management
Expenditure recorded in the Net Cost of Services	<p>EY to obtain and review supporting evidence for a sample of 13 expenditure transactions which were recorded within the Net Cost of Services during the financial year.</p>	EY and management

# Appendix D – Outstanding matters

## Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
REFCUS	EY to obtain and review supporting evidence for 8 sample items which have been classified as REFCUS in the year. On completion of this testing, EY to challenge management on the determination of the REFCUS balance incurred during the year, which should be based on the expenditure incurred as opposed to the funding received.	EY and management
Financing and Investment Income and Expenditure	EY to obtain and review supporting evidence for 1 sample item.	EY and management
Whole of Government Accounts	EY to complete Whole of Government Accounts work once instructions have been issued.	EY and NAO
Journal Entry Testing	EY to complete testing over journals posted during the financial statement closedown process and those posted to Property, Plant and Equipment balances during the year.	EY
Related Party Transactions	EY to complete testing over related party transactions on receipt of a breakdown of transactions from management.	EY and management
Going Concern	EY to complete testing over the going concern disclosure and supporting cash flow forecast on receipt of responses to audit queries from management.	EY and management
Financial Statement Review Procedures	Management to prepare and share updated financial statements and EY to review the changes made.	EY and management
Management Representation Letter	Receipt of signed Management Representation Letter	EY, management and Those Charged with Governance
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY and management

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge or we may not agree on final detailed disclosures in the Annual Report. At this point no issues have emerged that would cause us to modify our opinion, but we should point out that key disclosures on going concern, and IFRS 16 remain to be finalised and audited.

# Appendix E – Regulatory update

## The English Devolution and Community Empowerment Bill – Audit Measures

### Background

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

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

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

### Part 4 of the Bill - Reforming local audit

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

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

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

# Appendix F – Management representation letter

## Management representation letter (Draft)

### Management Rep Letter

[To be prepared on the entity's letterhead]

[Date]

Ernst & Young  
Grosvenor House,  
Grosvenor Square,  
Southampton,  
SO15 2BE  
United Kingdom

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

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

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

#### A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

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

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

1. We acknowledge that we are responsible to determine that the Authority's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.

# Appendix F – Management representation letter

## Management representation letter (Draft)

### Management Rep Letter

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
  - involving financial improprieties;
  - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Authority's financial statements;
  - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Authority's activities, its ability to continue to operate, or to avoid material penalties;
  - involving management, or employees who have significant roles in internal controls, or others; or
  - in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

#### C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

3. We have made available to you all minutes of the meetings of the Authority and its committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the 2024/25 financial year to the most recent meeting on the following date: [list date].
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the 2024/25 financial year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
6. We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

# Appendix F – Management representation letter

Management representation letter (Draft)

Management Rep Letter

## D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note 27 to the financial statements all guarantees that we have given to third parties.
4. No claims in connection with litigation have been or are expected to be received.

## E. Ownership of Assets

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

## F. Use of the Work of a Specialist

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

## G. Estimates

1. We confirm that the significant judgments made in making the pension liability and asset valuation have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the pension liability and asset valuation.
3. We confirm that the significant assumptions used in making the pension liability and asset valuation appropriately reflect our intent and ability to carry out our purposes and duty on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate, including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. We confirm that appropriate specialized skills or expertise has been applied in making the pension liability and asset valuation.
6. We confirm that no adjustments are required to the accounting estimate and disclosures in the financial statements.

# Appendix F – Management representation letter

Management representation letter (Draft)

Management Rep Letter

## H. Reserves

1. We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

## I. Retirement benefits

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

## J. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the financial statements).
2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, except as follows:
  - (1) Matters of routine, normal, recurring nature (e.g., examinations by bank and insurance examiners, examinations by taxing authorities), none of which involves any allegations of noncompliance with laws or regulations that should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - (2) Matters referred to in the letters dated [date] issued to you by the Authority's Monitoring Officer.

## K. Going Concern

1. Note 30 to the financial statements discloses all the matters of which we are aware that are relevant to the Authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

## L. Subsequent Events

1. Other than those events described in Note 29 to the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

## M. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Report and Annual Governance Statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.
3. We confirm that the Annual Governance Statement for 2024/25 is a true reflection, in all material respects, of the governance arrangements and the effectiveness of those arrangements in 2023/24 and includes disclosure of all significant governance issues and findings relating to that financial year, through to the date of this letter.

# Appendix F – Management representation letter

Management representation letter (Draft)

Management Rep Letter

## N. Climate-related matters

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

Yours faithfully,

\_\_\_\_\_  
(Chief Financial Officer)

\_\_\_\_\_  
(Chair of the Authority)

## EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

**All in to shape the future with confidence.**

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](http://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](http://ey.com).

Ernst & Young LLP

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited. Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

© 2025 Ernst & Young LLP. Published in the UK.  
All Rights Reserved.

UKC-038208 (UK) 03/25. Creative UK.  
ED None

Information in this publication is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Ernst & Young LLP accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

[ey.com/uk](http://ey.com/uk)