The Audit Findings for Torbay Council

Year ended 31 March 2024

Private and Confidential

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Members of the Audit Committee of Torbay Council
Torbay Council
Town Hall
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25 February 2025

Dear Councillors,

Audit Findings for Torbay Council for the year ended 31 March 2024

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

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

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to drive audit quality by reference to the Audit Quality Framework. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at transparency-report-2023.pdf (grantthornton.co.uk).

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

Julie Masci

Director
For Grant Thornton UK LLP

Contents

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

1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Torbay Council ('the Council') and the preparation of the group and Council's financial statements for the year ended 31 March 2024 for the attention of those charged with governance.

Financial Statements

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

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

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

As at the date of this report, we have concluded a number of areas of our audit work. Where our work is concluded then we have set out the detail of the work undertaken and our findings in the body of this report.

Where audit work has not yet been concluded, we have highlighted the work undertaken to date, and any audit findings and recommendations.

The main areas on which we have been unable to conclude our work are as follows: opening balances, property valuations, valuation of the defined benefit pension liability and reserves.

Our findings from the work undertaken to date are summarised on pages 8 to 27. We have identified a number of adjustments to the financial statements that have resulted in amendments to the Council's Comprehensive Income and Expenditure Statement and Balance sheet, coupled with a number of restatements to the prior period.

Audit adjustments are detailed at Appendix D, together with a number of misclassification and disclosure errors.

We have also raised recommendations for management as a result of our audit work. These are set out at Appendix B. Our follow up of recommendations from the prior year's audit are detailed at Appendix C.

Unfortunately, owing to the challenges of undertaking an audit where the previous audit was disclaimed due to the local authority backstop, this year we have been unable to regain full assurance and it has not been possible for us to undertake sufficient work to support an unmodified audit opinion in advance of the proposed backstop date of 28 February 2025. The limitations imposed by not having assurance on opening balances mean that we will be unable to form an opinion on the financial statements. Our anticipated financial statements audit report opinion will be disclaimed.

Our draft Audit Report is attached at Appendix G.

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

Because of the significance of the matter described in the basis for disclaimer of opinion section of our audit report, we have been unable to consider whether the Annual Governance Statement does not comply with 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit.

1. Headlines

Financial Statements (continued)

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

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

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

We commenced our financial statements audit in September 2024, following receipt of the Council's draft accounts on 2 August 2024. Our work identified some key challenges which hindered our initial progress with the audit. We raised our initial request for detailed audit working papers on 19 August 2024 and these had not been fully responded to by the time our audit work began. Over the initial weeks of our audit, there were a significant number of audit queries on our tracker which remained outstanding for more than two weeks. Our initial work also identified a number of reconciliation differences between the Council's accounting records, the final accounts trial balance and the draft financial statements, affecting both the 2023-24 reported results and also the opening balances relating to the 2022-23 comparative period.

In order to address these issues, the Council secured additional temporary resource to support both the updating of the financial statements and to assist with ongoing queries arising from the audit. This has been an important step in resolving problems in a timely manner and reflects the need for additional resilience in the finance team on an ongoing basis. We were required to pause work on the audit on 23 October 2024 in order to allow the new version of the draft statements to be produced. A revised trial balance was prepared and provided to the audit team on 9 November 2024 and our team re-commenced work on 11 November 2024 to recommence initial reconciliation work towards completing the audit ahead of the 28 February 2025 backstop date, allowing the Council to return to a regular audit cycle.

Since the new temporary resource arrangements were introduced, we have received updated components of the Council's primary financial statements on a phased basis, to allow as many aspects of the audit work to restart and allow us to progress our audit sampling work as far as possible. Officers continued their work to provide a final complete set of updated financial statements which were received on 20 January 2025.

We have been pleased with the improved engagement by finance officers since the new resources have been put in place, however the Council will need to develop actions to introduce a permanent solution for the longer term.

As a result of the significant reworking of the draft financial statements, along with our further audit work completed, a significant number of prior period restatements were required to the 2022-23 comparative information in the financial statements. The exercise also identified some significant discrepancies between the amounts recorded in the financial statements and the Council's accounting records. Details of these adjustments and discrepancies relating to the 2022-23 comparative period are set out in further detail in Appendix D, and have a consequential impact on the 2023-24 reported results due to the impact of these adjustments on the opening balances.

1. Headlines

Value for Money (VFM) arrangements	
Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are required to report in more detail on the Council's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit. Auditors are required to report their commentary on the Council's arrangements under the following specified criteria: • Improving economy, efficiency and effectiveness; • Financial sustainability; and • Governance	We have completed our VFM work and our detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside this report. We identified a significant weakness in the Council's governance arrangements and so are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. A significant weaknesses has been identified around the Council's capacity and capability of its finance team to ensure that financial reporting arrangements, including those relating to the statement of accounts are adequate. Our findings are set out in the value for money arrangements section of this report (Section 3).
Statutory duties	
The Local Audit and Accountability Act 2014 ('the Act') also requires us to: • report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and • to certify the closure of the audit.	We have not exercised any of our additional statutory powers or duties. We have completed the majority of work under the Code. However, the NAO as auditors of the Whole of Government accounts are undertaking further checks on submissions, and we are not able to certify the completion of the audit until this work is complete.
Significant matters	We identified the quality of the draft financial statements as a significant matter during the course of our work, as detailed on page 5 of our report. Fundamentally, this was due to a lack of year end reconciliation between its general ledger accounting system, the final trial balance and the draft financial statements; the need to better control the year end closedown process and accounting entries entered into the accounting system during the accounts production; and the need for an improved quality control review process with its draft financial statements. The impact of these difficulties and quality deficiencies has meant that a significant amount of additional audit resources have been sought and utilised to support the completion of audit, to enable us to complete as much audit work as possible to regain assurance ahead of the 28 February 2025 backstop date. These additional audit inputs have resulted in over 70% of additional audit resource being required compared to expected resource levels on which the audit scale fee has been based. Further details of this are set out on our audit fees on page 51. We have made a number of recommendations to the Council to improve these arrangements going forward. These are set out further in the Action Plan at Appendix B.

1. Headlines

National context – audit backlog

Government proposals around the backstop

On 30 July 2024, the Minister of State for Local Government and English Devolution, Jim McMahon, provided the following written statement to Parliament Written statements - Written questions, answers and statements - UK Parliament This confirmed the government's intention to introduce a backstop date for English local authority audits up to 2022/23 of 13 December 2024. As a consequence of this, the authority's accounts for 2022/23 have been backstopped and a disclaimer of opinion has been issued.

The government has set out its intention that from 2023/24, auditors should work with local authorities to begin the process of recovery. A backstop date for 2023/24 has been proposed of 28 February 2025, and a date for 2024/25 audits of 27 February 2026.

Our intention is that over time we will re-build assurance in respect of prior years across all backstopped audits, taking account of guidance from the National Audit Office and the Financial Reporting Council. For 2023/24, we have focused your audit on the following areas in advance of the backstop date.

- Risk assessment and evaluation of the control environment for 2023/24 including ISA 315 assessment
- Audit of closing balances as at 31 March 2024
- Audit of income and expenditure and movements within financial year 2023/24 and associated cut off testing
- Testing of journals posted within 2023/24
- Testing of Movement of Reserves statements and other primary statements (within the constraints that we will not have opening balance assurance)
- Financial statements disclosure

Recognising the sensitivity of cash, testing included the opening cash position as at 1 April 2023 in addition to testing the closing cash position.

We will continue the process of recovery during 2024/25 and ongoing years.

National context – level of borrowing

All Councils continue to operate in an increasingly challenging financial context. With inflationary pressures placing increasing demands on Council budgets, there are concerns as Councils look to alternative ways to generate income. We have seen an increasing number of councils look to ways of utilising investment property portfolios as sources of recurrent income. Whilst there have been some successful ventures and some prudently funded by councils' existing resources, we have also seen some councils take excessive risks by borrowing sums in excess of their revenue budgets to finance these investment schemes.

The impact of these huge debts on Councils, the risk of potential bad debt write offs and the implications of the poor governance behind some of these decisions are all issues which now have to be considered by auditors across local authority audits. We have not identified any risks related to such debts in our VFM work at the Council.

2. Financial Statements

Overview of the scope of our audit

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

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

Audit approach

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

- An evaluation of the group's internal controls environment, including its IT systems and controls;
- An evaluation of the components of the group based on a measure of materiality considering each as a percentage of the group's gross revenue expenditure to assess the significance of the component and to determine the planned audit response. From this evaluation we determined that specified audit procedures for significant balances and transactions of TEDC and SWISCO were required, which was completed by us; and,
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

We have not had to alter our audit plan, as communicated to you on 24 July 2024, except to updated our assessment of materiality as detailed on page 9, and to update our assessment of the significant risk relating to valuation of the defined benefit pension net liability following receipt of the draft accounts which showed that this was now an asset. Explanation of the updated risk assessment is given on page 15.

Conclusion

As highlighted in page 3 of this report, unfortunately it will not be possible for us to undertake sufficient work to conclude our work. We therefore plan to issue a disclaimer of the audit opinion. The draft wording of our Audit Report is set out in the item accompanying this report.

The disclaimer has been issued as the prior year audit was disclaimed under the local audit backstop arrangements. We are therefore unable to gain assurance over the opening balances in 2023/24.

The circumstances resulting in the application of the local authority backstop to prior year audits are clearly extremely unusual. The government has signalled its intent that where backstops have been applied, local authorities and their auditors work together to recover the position over subsequent years. We will follow relevant guidance including from the NAO and the FRC to work with you over the coming years, as we seek to rebuild audit assurance.

Recognising the backstop date of 28 February 2025, we anticipate issuing a disclaimed audit opinion following the Audit Committee meeting on 25 February 2025, as detailed at Appendix G. Outstanding items include:

- final quality review of our audit file;
- updated subsequent events confirmations;
- receipt and review of the signed management representation letter; and
- receipt and review of the final set of signed financial statements.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff in supporting our audit enquiries and information requests. Over the course of the audit both your finance team and our audit team faced challenges in delivering the audit work.

Fundamentally, this was due to a lack of year end reconciliation between its general ledger accounting system, the final trial balance and the draft financial statements; the need to better control the year end closedown process and accounting entries entered into the accounting system during the accounts production; and the need for an improved quality control review process with its draft financial statements.

2. Financial Statements

Our approach to materiality

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

We have revised the materiality percentage to reflect the impact of the prior year disclaimer of accounts under the local audit backstop arrangements. We have also reviewed the performance materiality percentage reflecting the quality issues identified in 2021/22 and the identified and unidentified errors in the 2022/23 accounts as reported in our disclaimer of opinion for that year.

We set out in this table our determination of materiality for Torbay Council and group.

	Group Amount (£000s)	Council Amount (£000s)	Qualitative factors considered
Materiality for the financial statements	6,900	6,400	1.7% of gross expenditure for the year, reduced from 2% at planning due to the impact of the local audit backstop in 2022/23.
Performance materiality	4,500	4,100	65% of headline materiality, reduced from 75% at planning due to the impact of the quality issues in the last completed audited (2021/22) and the identified and unidentified errors in the 2022/23 financial statements which were disclaimed in December 2024.
Trivial matters	300	300	5% of headline materiality

2. Financial Statements: Significant risks

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

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

Risks identified in our Audit Plan	Commentary	Relevant to Council and/or Group
Management override of controls Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities	We have: • evaluated the design and implementation of management controls over journals; • analysed the journals listing and determined the criteria for selecting high risk unusual journals; • identified and tested unusual journals made during the year and the accounts production stage for appropriateness and corroboration; • gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness; and, • evaluated the rationale for any changes in accounting policies, estimates, or significant unusual transactions. We have completed our testing of journal entries and we have identified a number of users with access to FIMS (accounting system) and have the ability to post manual journal entries. We identified that the majority of these users did not actually post manual entries in the year and therefore suggests such individuals do not require this level of access. While these entries would still go through the normal review process there is still a control risk of unauthorised journals with individuals being able to post entries that do not fall in the scope of their job role. We would recommend that manual journal access within FIMS should be reduced to only those where it is required for their job role.	Council and Group

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Commentary	Relevant to Council and/or Group
The revenue cycle includes fraudulent revenue transactions (ISA240) Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.	Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Council and the group, we have determined that the risk of material fraud arising from revenue recognition can be rebutted because: • There is little incentive to manipulate revenue recognition • There are adequate controls in place to deter and identify material fraud • The culture and ethical frameworks of local authorities, including Torbay Council, mean that all forms of fraud are seen as unacceptable. We do not consider this to be a significant risk for the Council or the group (noting that any fraud in the subsidiaries could not be material to the group)	Council and Group
Risk of fraud related to expenditure recognition PAF Practice Note 10 In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to expenditure recognition.	We have determined that the risk of material fraud arising from revenue recognition can be rebutted because, per Practice note 10, misstatements may arise where the audited body is under pressure to meet externally set targets. This environment does not exist at the Council or group.	Council and Group

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Commentary	Relevant to Council and/or Group
Valuation of land and building assets (other land and buildings) The Council revalues its land and buildings on a rolling basis of not less than every five years to ensure that the carrying value is not materially different from the current value (fair value for surplus assets) at the financial statements date. This valuation represents a significant financial statements estimate by management due to the size of the balances involved and the sensitivity of this estimate to changes in key assumptions. Management have engaged the services of a valuer to estimate the current (fair) value as at 31 March 2024. We have therefore identified the valuation of the closing balance of land and buildings as a significant risk.	We have: • evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • evaluated the competence, capabilities and objectivity of the valuation experts; • written to the valuer to confirm the basis on which the valuation was carried out; • challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding, the valuer's report and the assumptions that underpin the valuation; • tested revaluations made during the year to see if they had been input correctly into your asset register; and • evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end. Our audit work has identified a number of issues in respect of valuation of land and buildings: • For one asset selected for testing, the valuer was unable to provide sufficient and appropriate responses regarding the price per acre of the land. The valuer stated that the price per acre is based on their judgement, but there must be some supporting evidence to back this judgment. We recommend that the valuer maintain sufficient and appropriate evidences to support their judgement. • As part of our audit, we noted that none of the housing properties of Torvista Housing (circa £6m) have been revalued since their completion dates in 2021, and have been carried at their historical cost in the Company's accounts. Due to the nature of these assets, we would have expected them to be revalued as part of PPE before consolidation into the Council's group accounts. We performed a movement assessment and noted immaterial movement of the assets between the audit period and their completion periods. Additionally, a subsequent revaluation performed by the Company's valuers indicated that there has not been any material movement in the assets' values. Nevertheless, we recommend that the Company complies with the relevant guidance in FRS 102 and the CIPFA Code (for consolidation purposes) to ensure assets are periodically revalued and stated at the revalued figures in the accounts. • We also identified a number of differences between the Council's accounts and the Fixed Asset register. We have made a number of additional enquiries with officers to understand the reasons for these differences and have made recommendations to ensure that regular checks are performed on the fixed asset register to ensure that these reconcile to the Council's general ledger and is regularly maintained to ensure all necessary changes in assets or their valuations are accurately reflected on a timely basis.	Council and Group

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Commentary	Relevant to Council and/or Group
Valuation of land and building assets (other land and buildings) - continued	We also identified a number of errors and issues in our wider testing of property, plant and equipment. These issues did not relate specifically to the significant risk identified but are reported here for completeness. • Our review of the fixed asset register identified that the Council currently has £7.1m worth of assets at cost which are fully depreciated and therefore have a nil net book value. We have reviewed the assets and selected 10 samples. For all items tested, management confirmed that the assets are still in operational use. As a result, it is still valid to hold these assets on the fixed asset register. However, management have confirmed that they do not carry out a formal review of fully depreciated assets. Without this assurance, the auditors view is that it is possible for assets which are no longer in operational use to be held on the fixed asset register. Given that the value of fully depreciated assets is material, we have reviewed the potential impact of a depreciation charge on these assets would have had in year. If these assets are still in operational use, then the UEL applied is incorrect and the assets have been depreciated too quickly. Our analysis has indicated that if these assets had received an in year depreciation charge the value would have been a maximum £1.1 million in depreciation in the income and expenditure account. Whilst we are therefore satisfied that this does not give rise to a material issue, management should ensure that fully depreciated assets are subject to a formal review to ensure that their useful economic life remains appropriate. The audit opinion for 2022/23 is disclaimed, this means that as no audit work was carried out on the opening balances of land and buildings and surplus assets, we are unable to gain assurance that they are not materially misstated. The Council undertakes valuations of all its land and buildings and surplus assets in a five-year cycle. This means that assurance can be regained and this will likely be possible at the end of the revaluation cycle, currently planned for 2027/28, accelerating this programme would enable assurance to be gained sooner. For the 2023/24 financial statements we cannot provide assurance over the closing property, plant and equipment balance.	Council and Group

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Commentary	Relevant to Council and/or Group
Valuation of investment property assets The Council revalues its investment properties on an annual basis to ensure that the carrying value is not materially different from the fair value at the financial statements date. This valuation represents a significant financial statements estimate by management due to the size of the balances involved and the sensitivity of this estimate to changes in key assumptions. Management have engaged the services of a valuer to estimate the fair value as at 31 March 2024. We have therefore identified the valuation of the closing balance of investment properties as a significant risk	We have: • evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • evaluated the competence, capabilities and objectivity of the valuation expert; • written to the valuer to confirm the basis on which the valuation was carried out; • challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding, the valuer's report and the assumptions that underpin the valuation; • tested revaluations made during the year to see if they had been input correctly into your asset register; and • evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end. Our audit work has identified the following matter: • We identified those assets within the investment property listing that were re-classified as investment properties during the period from Assets under construction. We identified that the majority of the balance related to the Harbour view hotel and Edginswell Business park, totalling £15.1m. We have determined that these assets are no longer under construction by obtaining supporting completion certificates and other evidence. As part of these additional enquiries with management, it was established that these assets should have been classified as Property, Plant and Equipment as they were developed under a regeneration policy. This is in line with the CIPFA code. As a result, the Council has agreed to amend the accounts to reduce the Investment Property balance and increase PPE by £15.185m. We have reperformed additional valuation procedures and enquiries of the Council's valuer, as the basis of valuation for PPE is Existing Use Value, instead of Fair Value. No further amendments were required to the valuation in the financial statements following this change of valuation basis and we are satisfied with the justification provided by the Council's valuation expert. The audit opinion for 2022/23 is disclaimed, this means that as no audit work was carried out on the opening investment property assets balance, we are unable to gain assurance that they are not materially misstated. The Council undertakes valuations of all its annually. This means that assurance can be regained and this will likely be possible within a three year period. For the 2023/24 financial statements we cannot provide assurance over the opening investment property balance and the in year movements on investment properties.	Council only

2. Financial Statements: Significant risks

Risks identified in our Audit Plan	Commentary	Relevant to Council and/or Group
Valuation of pension fund net liability (surplus) Our Audit Plan identified this risk as relating to the valuation of the pension fund net liability but following receipt of the draft accounts we identified that the Council was now in an asset position. We have updated our risk assessment accordingly. The Council has a pension fund net asset, following the most recent triennial valuation and the actuary's assessment for 31 March 2024. Due to the impact of the asset ceiling, the funded element is reflected the balance sheet at nil value, while the unfunded element is a small liability of £5.4m. The pension valuation represents a significant estimate in the financial statements. The pension fund net surplus is considered a significant estimate due to the size of the numbers involved (a gross asset of £32.1m before the asset ceiling is applied) and the sensitivity of the estimate to changes in key assumptions. The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). However, for the first time since IFRS have been adopted the council has had to consider the potential impact of IFRIC 14 - IAS 19 -the limit on a defined benefit asset. Because of this we have assessed the recognition and valuation of the pension asset as a significant risk. The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable. The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 asset, in particular the discount and inflation rates. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation. With regard to these assumptions we have therefore identified valuation of the Council's pension fund net asset as a significant risk.	We have: • updated our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net asset is not materially misstated and evaluate the design of the associated controls; • evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assessed the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation; • assessed the accuracy and completeness of the information provided by the Council to the actuary to estimate the asset; • tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; • reviewed the actuary's treatment of the pension fund asset and the impact of the asset ceiling under IFRIC 14; and, • obtained assurances from the auditor of Devon Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements. The pension fund auditor identified valuation errors in the testing of level 2 and level 3 investments. This results in the Council's net defined benefit surplus and corresponding asset ceiling adjustment being potentially understated by £1.033 million. The audit opinion for 2022/23 is disclaimed, this means that as no audit work was carried out on the opening balances of the net defined benefit liability, we are unable to gain assurance that they are not materially misstated. The nature of the pension fund balances are such that full assurance will likely be obtained in 2025/26, At this date we will be able to gain assurance over the opening and closing balances in addition to in-year movements.	Council and Group

2. Financial Statements – New issues and risks

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan.

Issue	Commentary
IFRS 16 implementation Following consultation and agreement by FRAB, the Code will provide for authorities to opt to apply IFRS 16 in advance of the revised implementation date of 1 April 2024. In advance of this standard coming into effect, we would expect audited bodies to disclose the title of the standard, the date of initial application and the nature of the changes in accounting policy for leases, along with the estimated impact of IFRS 16 on the accounts	The notes to the accounts sets out an appropriate disclosure in respect of the nature of this standard. The Council has not disclosed an estimate of the expected impact as work to identify and quantify the impact of the standard is not yet sufficiently advanced.

2. Financial Statements: Key findings arising from the group audit

Component	Component auditor	Findings	Group audit impact
TEDC Ltd.	Francis Clark LLP	We are awaiting receipt of the final subsidiary accounts and final audit conclusions for TEDC Ltd from the Council which are expected week commencing 24 February 2025. An unqualified audit opinion of TEDC Ltd is anticipated. No significant issues were identified.	We have completed our own testing on balances significant to the group accounts with no significant issues identified.
SWISCO	Bishop Fleming LLP	An unqualified audit opinion of SWISCO Limited was issued by Bishop Fleming LLP on 19 December 2024. No significant issues were identified.	No issues identified by the component auditor. We have completed our own testing on balances significant to the group accounts with no significant issues identified.

2. Financial Statements: key judgements and estimates

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

Significant judgement or estimate	Summary of management's approach	Audit Comments
Land and Building valuations	Other land and buildings comprises £138m of specialised assets such as schools and libraries, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The remainder of other land and buildings are not specialised in nature and are required to be valued at existing use in value (EUV) at year end. The Council engages its internal valuations expert (formerly the external valuer employed by TEDC Ltd. until 1 April 2024) to complete the valuation of properties on a five yearly cyclical basis. Most assets are valued as at 1 April 2023 but some valuations have been further updated throughout the year. The methodology for valuing assets in the local authority context is determined by the Code and the requirements of guidance produced by the Royal Institute of Chartered Surveyors. The Council also engages an independent professionally qualified valuer to undertake the valuation of its assets. The use of professional valuers and the regular revaluation of assets reduces the risk of management bias and estimation uncertainty. However, valuations can only be an estimate and as such are subject to inherent uncertainty. The Council has disclosed the potential impact of this uncertainty in note 4 to the accounts. Management have considered whether these assets have been subject to movement in valuations during the period since the last revaluation and the potential valuation change in the assets revalued during the year. The total year end valuation of land and buildings was £281.6m, a net increase of £24.4m from 2022/23 (£257.2m).	We have carried out the following work in relation to this estimate: • assessed management's expert to ensure they are suitably qualified and independent • assessed the consistency of the estimate against national indices provided by our valuation expert • we agreed, on a sample basis, the underlying data used by valuer to supporting evidence e.g. floor plans and rental leases; and, • assessed the adequacy of the disclosure of the estimate in the financial statements. Our findings are reported on page 12 and 13. Our usual approach to testing this class of assets includes cyclical testing of rights and obligations, and testing of additions, disposals and depreciation in year. However, with prior year unaudited, it has not been feasible to go back over prior year transactions. We have also been unable to apply standard predictive approaches on depreciation as there is uncertainty regarding the opening balances. As a result, the audit opinion is disclaimed.

Assessment

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

2. Financial Statements: key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Investment Property Valuation -	The council has a number of assets that it has determined to be investment properties. Investment properties must be included in the balance sheet at fair value (the price that would be received for the asset in an orderly transaction between market participants at the measurement date) so these assets are valued every year as at 31 March. The Council has engaged the its valuation expert to complete the valuation of properties as at 31 March 2024. All assets were revalued in year as required by the Code of Practice. The total year end valuation of investment property was £163.8m, a net decrease of £18.3m from 2022/23.	We have: • Assessed the competence and expertise of management's expert; • Reviewed the completeness and accuracy of the underlying information used to determine the estimate; • Reviewed the assumptions used by the expert, including the yields; • Ensured that there has been no changes to the method used to revalue the assets, and ensured that the method is suitable for the different classes of the assets; • Considered the adequacy of disclosure of the estimate in the financial statements.	No overall conclusion formed this year, as our opinion has been disclaimed

Assessment

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

2. Financial Statements: key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Net pension surplus – £32.145m (£5.4m liability in the balance sheet) IFRIC 14 addresses the extent to which an IAS 19 surplus can be recognised on the balance sheet and whether any additional liabilities are required in respect of onerous funding commitments. IFRIC 14 limits the measurement of the defined benefit asset to the 'present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.	The Council's pension surplus before asset ceiling adjustment at 31 March 2024 is £32.1m and net liability of £5.4m comprising the Devon Pension Fund's Local Government and unfunded defined benefit pension scheme obligations. The Council uses Barnett Waddingham to provide actuarial valuations of the Council's assets and liabilities derived from these schemes. A full actuarial valuation is required every three years. The latest full actuarial valuation was completed in 2023. Given the significant value of the net pension fund asset (surplus), small changes in assumptions can result in significant valuation movements.	We have carried out the following work in relation to this estimate: • assessed management's expert, Barnett Waddingham, to be competent, capable and objective; • performed additional tests in relation to the actuary on contribution figures, benefits paid and investment returns to gain assurance over the 2021/22 roll forward calculation carried out by the actuary and have no issues to note; • gained assurance over the reasonableness of the Council's share of Devon Pension Fund pension assets; • reviewed the adequacy of disclosure of the estimate in the draft financial statements; • assessed the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability; • confirmed that unfunded liabilities had been appropriately treated; • sought assurances from the auditor of the Devon Pension Fund as to the controls surrounding the validity and accuracy of membership data, contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements; and • assessed the adequacy of disclosure of estimate in the financial statements. The audit opinion for 2022/23 is disclaimed, this means that as no audit work was carried out on the opening balances of the net defined benefit liability, we are unable to gain assurance that they are not materially misstated. The nature of the pension fund balances are such that full assurance will not be possible until 2025/26. The left table provides consideration of the assumptions applied in 2023/24. All were concluded to be within acceptable range.	No overall conclusion formed this year, as our opinion has been disclaimed

Assumption	Actuary Value	PwC range	Assessment
Discount rate	4.9%	4.8-4.95%	●
Pension increase rate	2.9%	2.85-3.0%	●
Salary growth	3.9%	3.65-3.95%	●
Life expectancy – Males currently aged 45/65	22.8/21.5	20.6-23.1 19.2-21.8	●
Life expectancy – Females currently aged 45/65	24.1/22.7	24.1-25.7 22.6-24.3	●

Assessment

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

2. Financial Statements: Information Technology

This section provides an overview of results from our assessment of Information Technology (IT) environment and controls which included identifying risks from the use of IT related to business process controls relevant to the financial audit. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas.

			ITGC control area rating			
IT application	Level of assessment performed	Overall ITGC rating	Security management	Technology acquisition, development and maintenance	Technology infrastructure	Related significant risks/other risks
FIMS	ITGC assessment (design and implementation effectiveness only) Understanding of link to feeder systems	●	●	●	●	Management override of controls (significant risk)
ResourceLink from Zellis	ITGC assessment (design and implementation effectiveness only)	●	●	●	●	n/a
RAM (Fixed asset register)	ITGC assessment (design and implementation effectiveness only	●	●	●	●	Property, Plant & Equipment and Investment and Investment Property valuations (other risk)

Assessment

- ● Significant deficiencies identified in IT controls relevant to the audit of financial statements
- ● Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
- ● IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- ● Not in scope for testing

2. Financial Statements: Digital Audit

We have invested significantly in our digital tools and our audit approach is underpinned by a suite of tools, enabling us to capture and analyse the detailed data contained within the general ledger. This supports more efficient and effective testing, with a focus on higher risk areas and unusual transactions. The ability to obtain full ledger data quickly and effectively is key to the progress of audit work, as is documentation of the Council's methodology for mapping code structures to the financial statements and use of off-ledger adjustments. Difficulties and delays in obtaining data adversely impact on the scheduling and delivery of the audit and it is important that management engage with the audit teams to understand the requirements for data transfer, providing a clearly documented understanding of how financial statement entries are produced from underlying ledger and a timetable for doing so.

We requested several reports/documents from the Council to aid with this and these are summarised in the table below along with comments on delivery.

Document requested	Date requested	Date received	Comments
Closing trial balance for 2022-23	26 April 2024	20 September 2024	
Opening trial balance for 2023-24	26 April 2024	20 September 2024	There were a number of clarifications required between the Council's finance team and the audit team to agree the opening balances, and the trial balance to the general ledger.
Closing trial balance for 2023-24	26 April 2024	20 September 2024	There were a number of clarifications required between the Council's finance team and the audit team to agree the closing balances, and the trial balance to the general ledger.
All general ledger transactions during 2023-24	26 April 2024	20 September 2024	
Mapping between the trial balance and the financial statements for 2023-24	26 April 2024	7 November 2024	
Draft accounts for 2023-24	The Council authorised its initial set of draft accounts for issue on 31 July 2024, which did not meet the statutory deadline of 31 May 2024. Our initial work also identified a number of reconciliation differences between the Council's accounting records, the final accounts trial balance and the draft financial statements, affecting both the 2023-24 reported results and also the opening balances relating to the 2022-23 comparative period. In order to address these issues, the Council secured additional temporary resource to support both the updating of the financial statements and to assist with ongoing queries arising from the audit. This has been an important step in resolving the initial concerns identified. We were required to pause work on the audit in October 2024 in order to allow the new version of the draft statements to be produced, but our team re-commenced work on 11 November 2024 following the provision of a revised trial balance and transaction listing on 7 November 2024. Since the new temporary resource arrangements were introduced, we have received updated components of the Council's primary financial statements on a phased basis, to allow as many aspects of the audit work to restart and allow us to progress our audit sampling work as far as possible. Officers continued their work to provide a final complete set of updated financial statements which were received on 20 January 2025.		

2. Financial Statements: other communication requirements

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

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with management and the Audit Committee. We have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been requested from the Council, including specific representations in respect of the Group and the restructuring which took place from 1 April 2024, which is included in the Audit Committee papers. Specific representations have been requested from management in respect of equal pay claims.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the Council's bankers and those entities with which the Council has borrowings or investments. This permission was granted, and confirmations were sent. All requests were returned with positive confirmations.
Accounting practices	We have evaluated the appropriateness of the group and Council's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements, but we did identify a number of areas where these policy disclosures could be improved or clarified.
Audit evidence and explanations/ significant difficulties	The draft accounts provided by management on 2 August 2024 were of poor quality and contained material errors, including disclosure notes which did not agree to the financial statements and an inability to reconcile the financial statements to the trial balance. In addition, there was a lack of capacity in the finance team during the initial audit period which was exacerbated by a significant staff illness at the Council. We were required to pause our audit in October 2024 in order to enable officers to try and resolve these issues. Management brought in additional capacity both internally and by contracting in external support. Due to the scale of the issues the updated statements were not fully available until 20 January 2025. However, we worked effectively with officers on a phased approach to maximise the audit work able to be completed by the 28 February backstop date and support the rebuilding of assurance of the Council's financial statements for future periods. We have also undertaken additional audit procedures on 2022/23 cash and bank balances, a key area of the financial statements.

2. Financial Statements: other communication requirements

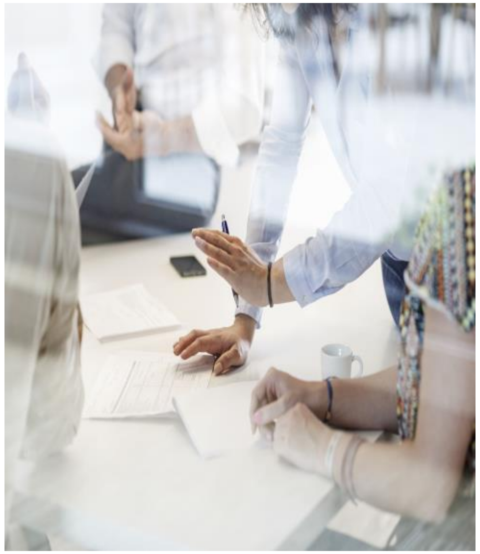
Our responsibility

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

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

2. Financial Statements: other responsibilities under the Code

Issue	Commentary
Other information	We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Because of the significance of the matter described in the basis for disclaimer of opinion section of our audit report, we have been unable to consider whether the Annual Governance Statement does not comply with 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit.
Matters on which we report by exception	We are required to report on a number of matters by exception in a number of areas: • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es. We have nothing to report on these matters, subject to a review of the final AGS. We have reported significant weaknesses in our value for money work see page 28.



2. Financial Statements: other responsibilities under the Code

Issue	Commentary
Specified procedures for Whole of Government Accounts	We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions. Work is not required as the Council does not exceed the threshold.
Certification of the closure of the audit	We intend to delay the certification of the closure of the 2023/24 audit of Torbay Council in the audit report, due to a request from the NAO, who are undertaking further work on the Whole of Government Accounts across the sector.

3. Value for Money arrangements (VFM)

Approach to Value for Money work for 2023/24

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

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

Improving economy, efficiency and effectiveness

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

Financial Sustainability

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

Governance

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

Potential types of recommendations

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

Statutory recommendation

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

Key recommendation

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

Improvement recommendation

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

3. VFM: our procedures and conclusions

We have completed our VFM work and our detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside this report.

As part of our work, we considered whether there were any significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Based on the work undertaken, we are not satisfied that the Council has proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources in 2023/24. The significant weakness we identified is detailed in the table below, along with our findings and our conclusions. Our auditor's report makes reference to this significant weakness in arrangements, as required by the Code, see Appendix G.

Significant weakness identified	Procedures undertaken	Conclusion	Outcome
We did not identify any risks of significant weakness at the planning stage of our work. This risk emerged during the course of the financial statements audit, due to the concerns arising over the quality of the financial statements presented for audit.	Further details of the financial statements audit issues and outcomes are set out throughout this Audit Findings Report. The key matters arising in the initial preparation of the financial statements are set out in detail on page 5 of this report.	A significant weaknesses has been identified around the Council's capacity and capability of its finance team to ensure that financial reporting arrangements, including those relating to the statement of accounts are adequate.	The Council must ensure there is sufficient capacity and capability to ensure that financial reports including the statement of accounts, are prepared adequately with sufficient quality assurance for review. Furthermore, sufficient capacity should be given to the team to ensure that audit queries are met in a timely manner and resolved sufficiently.

4. Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms).

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

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

Details of fees charged are detailed at Appendix E.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see Grant Thornton International Transparency report 2023.

4. Independence considerations

As part of our assessment of our independence we note the following matters:

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Council that may reasonably be thought to bear on our integrity, independence and objectivity.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Council.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Council's board, senior management or staff.
Relationships and investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Council or investments in the Council held by individuals.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

4. Independence considerations

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The following non-audit services were identified which were charged from the beginning of the financial year to February 2025, as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

Service	Fees £	Threats identified	Safeguards
Audit related			
Certification of Housing benefits subsidy	(2022-23) £34,500 (2021-22) £30,060	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £64,560 in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
		Self review (because GT provides audit services) Management threat	To mitigate against the self review threat , the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants.
Certification of Teachers Pension Return	(2022-23) £23,000 (2021-22) £22,830	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £45,830 in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
		Self review (because GT provides audit services) Management threat	To mitigate against the self review threat , the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants.

These services are consistent with the Council's policy on the allotment of non-audit work to your auditors. All services have been approved by the Audit Committee. None of the services provided are subject to contingent fees.

Appendices

A. Communication of audit matters to those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	•	
Confirmation of independence and objectivity	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, we are also required to distribute our findings to those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report to all those charged with governance.

B. Action Plan – Audit of Financial Statements

We have identified 7 recommendations for the group and Council as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2024/25 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
High	**Weaknesses in Financial Procedures and Controls** During our audit, we observed that the financial statement review and journal review controls failed to detect several errors and inconsistencies between the general ledger and the published accounts for the financial years 2022/23 and 2023/24. These issues were attributed to multiple weaknesses, including the absence of robust account closedown procedures, which resulted in transactions being recorded in accounting periods for which the accounts had already been published. Additionally, there was a deficiency in the financial statement review controls, preventing the identification of these errors both before and after the accounts were published for the affected years. As a result, significant and numerous adjustments were necessary to reconcile the published accounts for 2022/23 and 2023/24 with the general ledger.	To ensure robust and effective financial reporting, we recommend strengthening the financial statement review and closedown controls to ensure: (1) IAS 19 entries are accurately recorded in the ledger. (2) Opening balances are properly reconciled with the prior year's closing figures. (3) The collection fund account and the fixed asset register are correctly reconciled with the general ledger and the financial statements. (4) Internal recharges are reconciled in a timely manner to ensure a nil impact on the Comprehensive Income and Expenditure Statement (CIES). **Management response** Agreed - management will review the procedures in respect of financial statement review and closedown controls to mitigate this issue.
High	**Officer remuneration (& payroll costs)** As part of our work for officer remuneration and payroll expenditure, we identified that whilst a monthly payroll reconciliation process is in place, these are not performed sufficiently. As part of our review of the year end reconciliation between between FIMS (accounting system) and the payroll system, additional work was necessary to understanding the differences between the amounts recorded in the financial statements and the year end reports generated from the payroll system. It is important that the Council prepares a thorough reconciliation to ensure that the amounts reported in the financial statements are accurately supported against the underlying payroll records.	The Council should ensure that regular and robust payroll reconciliations are prepared between the general ledger and payroll system and that a detailed year end reconciliation exercise is performed to provide assurance over the amounts reported in the financial statements. **Management response** Agreed – a review of the monthly and year end reconciliation procedures for this area will be undertaken and updated as required.

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

B. Action Plan – Audit of Financial Statements

We have identified 7 recommendations for the group and Council as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2024/25 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Medium	**Review of PFI Models and Indexation** As part of our audit processes, we reviewed the PFI models used to prepare the PFI disclosures in the accounts and noted that the models' indexation has not been updated for some time, resulting in no indexed figures for Unitary Charge payments. Given the recent changes in inflation levels, we expect that amounts representing payments for future years should be indexed to reflect the current inflation rate. The lack of proper indexation and consideration of current inflation rates could significantly impact contingent rents and future payment calculations.	We recommend that management keeps its PFI model under regular review and ensure these are updated to reflect current economic indicators, ensuring reliable figures for preparing the accounts. **Management response** Agreed – A regular review of the model will be undertaken and will be updated as required.
Medium	**Consolidation adjustments – valuation of subsidiary assets** As part of our audit, we noted that none of the housing properties of Torvista (circa £6m) have not been revalued since their completion dates in 2021 and have been carried at their historical cost in the Company's accounts. Due to the nature of these assets, we would have expected them to be revalued as part of PPE before consolidation. We performed a movement assessment and noted immaterial movement of the assets between the audit period and their completion periods. Additionally, a subsequent revaluation performed by the Company's valuers indicated that there has not been any material movement in the assets' values.	We recommend that the Council complies with the CIPFA Code (for consolidation purposes) to ensure its subsidiary assets are periodically revalued to support any necessary consolidation adjustments required in the financial statements. **Management response** Agreed - We will ensure that a check is undertaken to confirm that the balances of housing properties held in the Torbay Council group accounts are held at their fair value, as per the CIPFA code. A number of these properties were transferred to Torbay Council ownership since the year-end, and as such adjustments relating to these properties will not form a part of the consolidation adjustments, rather part of the annual revaluation of Torbay Council assets.

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

B. Action Plan – Audit of Financial Statements

We have identified 7 recommendations for the group and Council as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2024/25 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Medium	**Communicating IAS 19 issues with the Actuary** We observed that the Council did not communicate the accounting treatment of the prior year's company surplus to the actuary. Consequently, the presentation of the opening balance of plan assets differed between the accounts and the IAS 19 report.	We recommend that management communicate their accounting treatment with the actuary to ensure consistent reporting of IAS 19 disclosures. **Management response** Agreed - We will ensure expectations of the basis of preparation of the IAS19 reports are clear from the outset and plan to resolve any unexpected differences to our proposed accounting treatment in advance of the audit.
Medium	**Journal users** As part of our Journals work we have identified a number of users with access to FIMS (accounting system) and have the ability to post manual journal entries. We identified that the majority of these users did not actually post manual entries in the year and therefore suggests such individuals do not require this level of access. While these entries would still go through the normal review process there is still a control risk of unauthorised journals with individuals being able to post entries that do not fall in the scope of their job role.	We would recommend that manual journal access within FIMS should be reduced to only those where it is required for their job role. **Management response** Agreed – Officers who are able to process journals will be reviewed and access restricted to key finance staff.

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

B. Action Plan – Audit of Financial Statements

We have identified 7 recommendations for the group and Council as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2024/25 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Medium	**Depreciation of assets** According to IAS 16 and the CIPFA code, an asset should be depreciated when it becomes available for use. Currently, the council is depreciating additions in the subsequent year without considering whether the asset is available for use in the current year.	We recommend that they follow the guidance provided in IAS 16 and the CIPFA code for depreciating additions during the year. **Management response** Agreed

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

C. Follow up of prior year recommendations

We identified the following issues in the audit of Torbay Council's 2021-22 financial statements, which resulted in four recommendations being reported in our 2021-22 Audit Findings report.

We have followed up on the implementation of our recommendations and note that two are still to be addressed.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
X	We noted a general issue with the quality of Council working papers and in particular the difficulty in reconciling some balances back to the general ledger, largely due to the unfamiliarity of current officers with work performed by their predecessors. We recommended that management put in place procedures to embed knowledge of the accounts preparation process more broadly within the finance team, with an aim to avoid "single points of failure" and the loss of institutional knowledge if key individuals leave the Council. Working papers should include sufficient detail to be understandable by users other than the preparer.	As set out on pages 5 and 22 of this report, the Council has continued to encounter difficulties with the quality of its draft financial statements and the reconciliation of these to the underlying books and records.
✓	Our testing of PPE additions identified two items which related to the prior year which had not been accrued for and incorrectly capitalised in 2021/22.	We have not identified any significant reoccurrence of this matter in 2023-24.
X	In the prior year we recommended that the Council consider disposing of assets held in the balance sheet with a nil Net Book Value (NBV) as these assets should have come to the end of their useful lives. If assets are no longer in use by the Council but continue to be disclosed then they overstate the Gross Book Value (GBV) and accumulated depreciation balances in the PPE note.	This matter remains outstanding as highlighted by our findings on page 13 of this report.
✓	As part of the estimation process for PPE valuations, management should review the possibility that assets not revalued in the year or revalued prior to the year-end date could be materially misstated and request a formal valuation for them if necessary. Management should formally document their consideration of the possibility of material misstatement for all assets valued earlier than the 31 March and the outcome of this consideration.	Improved narrative disclosures have been added into the valuers report to set out its basis of consideration for assets not formally revalued in the year or revalued prior to the year-end date. Finance officers should continue to consider any financial impact as part of its year end review of the valuer's results.

Assessment

✓ Action completed

X Not yet addressed

D. Audit Adjustments

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

Impact of adjusted misstatements – summary of adjustments – all years

All adjusted misstatements are summarised here with details per year set out on the following pages, along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2024.

	£					
Description	Income and expenditure	Balance sheet				
	Surplus / deficit	CA	NCA	CL	NCL	E
Audited 21/22	(21,700,000)	150,300,000	645,700,000	(94,900,000)	(565,400,000)	(135,700,000)
Adjustments	-	-	-	-	12,699,129	(12,699,129)
Adjusted 21/22	**(21,700,000)**	**150,300,000**	**645,700,000**	**(94,900,000)**	**(552,700,871)**	**(148,399,129)**
Published draft 22/23	30,100,000	108,500,000	660,300,000	(66,900,000)	(435,700,000)	(266,200,000)
TB Corrections	(7,100,000)	1,000,000	100,000	2,400,000	(429,400,000)	425,900,000
Restated 22/23 balances	**23,000,000**	**109,500,000**	**660,400,000**	**(64,500,000)**	**(865,100,000)**	**159,700,000**
Adjustments	(4,233,464)	-	-	(5,000,000)	434,000,000	(429,000,000)
Impact of 21/22 PPA	815,746	-	-	-	12,699,129	(12,699,129)
22/23 adjusted results	**19,582,282**	**109,500,000**	**660,400,000**	**(69,500,000)**	**(418,400,871)**	**(281,999,129)**
Published draft 23/24	10,400,000	97,100,000	675,400,000	(62,300,000)	(407,100,000)	(303,100,000)
TB Corrections	21,000,000	(20,800,000)	(8,200,000)	(300,000)	(404,000,000)	433,300,000
Impact of 21/22 PPA	815,746	-	-	-	12,699,129	(12,699,129)
Impact of 22/23 PPA	(4,233,464)	-	-	-	429,000,000	(429,000,000)
Restated 23/24 balances	**27,982,282**	**76,300,000**	**667,200,000**	**(62,600,000)**	**(369,400,871)**	**(311,499,129)**
Adjustments	(1,686,321)	-	-	(3,505,794)	(29,139,206)	32,645,000
Adjusted result	**26,295,962**	**76,300,000**	**667,200,000**	**(66,105,794)**	**(398,540,077)**	**(278,854,129)**
Evidence from revised a/c	26,300,000	76,300,000	667,200,000	-66,100,000	-398,500,000	-278,900,000
Unadjusted misstatements identified	2,109,000	772,879	(2,109,000)	-	-	1,336,121
Potential financial statement result	**28,404,962**	**77,072,879**	**665,091,000**	**(66,105,794)**	**(398,540,077)**	**(277,518,008)**

D. Audit Adjustments

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

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2024.

2023-24 adjustments

		Adjustments			Impact on balance sheet				
Description	Type	Income and expenditure	Balance sheet	Impact on I&E	CA	NCA	CL	NCL	E
		DR/(CR)	DR/(CR)	£	£	£	£	£	£
Draft result for financial statements				27,982,282	76,300,000	667,200,000	-62,600,000	-369,400,871	-311,499,129
2023 / 2024 adjustments									
Cr investment properties	Factual		(15,185,000)			-15,185,000			
Dr PPE - Land & buildings	Factual		15,185,000			15,185,000			
Dr Cost of Services Dir of Place impairment PPE	Factual	19,549,727		19,549,727					19,549,727
Cr FIIE	Factual	(19,549,727)		(19,549,727)					-19,549,727
To correct PPE balance wrongly reclassified to investment property									
									-
Dr Unusable reserves	Factual		1,100,000						1,100,000
Cr Earmarked reserves	Factual		(1,100,000)						-1,100,000
To correct treatment of in-year DSG surplus									-
								-	
Pension Reserve	Factual		32,145,000						32,145,000
Long Term Pension Liability	Factual		(32,145,000)					-32,145,000	
To recognise asset ceiling impact on pension assets									
Pension Reserve	Factual		500,000						500,000
Other Short term Liabilities	Factual		(500,000)				-500,000		
To correct 23/24 pension entries									
Long Term Borrowing	Factual		3,005,794					3,005,794	
Short Term Borrowing	Factual		(3,005,794)				-3,005,794		
To correct borrowing classification - correct ST to LT per Arling Close									
CIES	Factual	(2,110,000)		(2,110,000)					-2,110,000
MIRS DSG	Factual	2,110,000		2,110,000					2,110,000
To correct in-year DSG surplus wrongly charged against DSG reserve account									

D. Audit Adjustments

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

2023-24 adjustments

		Adjustments			Impact on balance sheet				
Description	**Type**	**Income and expenditure**	**Balance sheet**	**Impact on I&E**	**CA**	**NCA**	**CL**	**NCL**	**E**
		DR/(CR)	**DR/(CR)**	**£**	**£**	**£**	**£**	**£**	**£**
MIRS FIAA (Fair Value)	Factual	1,288,949		1,288,949					1,288,949
CIES	Factual	(1,288,949)		(1,288,949)					-1,288,949
To correct direct journal made between I&E and reserves - This entry is correcting between MIRS and reserves									
MIRS Contribution	Factual	1,686,321							1,686,321
Fees & charges (CIES)	Factual	(1,686,321)		(1,686,321)					-1,686,321
Entries to earmarked reserves did not go through MIRS - this is the correction									
Fees and charges (55560) - Investment income	Factual	35,000,000		35,000,000					35,000,000
Other service expenditure , Employee expense (33260)	Factual	(35,000,000)		(35,000,000)					-35,000,000
To correct the overstatement of income from pension and recharges and impairment entries									
Adjusted result				26,295,962	76,300,000	667,200,000	-66,105,794	-398,540,077	-278,854,129

D. Audit Adjustments

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

2022-23 adjustments

			Adjustments			Impact on balance sheet				
No	Description	Type	Income and expenditure	Balance sheet	Impact on I&E	CA	NCA	CL	NCL	E
			DR/(CR)	DR/(CR)	£	£	£	£	£	£
	Draft result for financial statements				23,000,000	109,500,000	660,400,000	-64,500,000	-865,100,000	159,700,000
	2022/23 adjustments									
1	Dr Unusable reserves	Factual		2,427,947						2,427,947
	Cr Earmarked reserves	Factual		(2,427,947)						-2,427,947
	To correct treatment of in-year DSG surplus which was wrongly recorded and had material impact in the comparative figures presented for the reserve balance in 23/24 account									
2	Dr Long Term Pension Liability	Factual		429,000,000					429,000,000	
	Cr Pension Reserve	Factual		(429,000,000)						-429,000,000
	To correct 22/23 pension entries wrongly recorded due to error not identified by journal entry review controls which needed correction due to its impacts on the reserve balance c/f to 23/24									
3	Fees and charges (55560)	Factual	65,000,000		65,000,000					
	Other service expenditure (33260)	Factual	(65,000,000)		(65,000,000)					
	To correct the overstatement of income from pension and recharges entries for current service cost as a result of incorrect treatment of internal recharges, and error in recording pension entries identified in 23/24 and when which isolated to have a material impact on the comparative 23/24 accounts									
4	CIES	Factual	815,746		815,746					-815,746
	MIRS	Factual	(815,746)		(815,746)					815,746
	To correct 21/22 pension entries due to change in accounting policy									
5	CIES	Factual	329,116		329,116					329,116
	MIRS	Factual	(329,116)							-329,116
	Entries to earmarked reserves did not go through MIRS - this is the correction									

D. Audit Adjustments

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

2022-23 adjustments

			Adjustments			Impact on balance sheet				
No	Description	Type	Income and expenditure	Balance sheet	Impact on I&E	CA	NCA	CL	NCL	E
			DR/(CR)	DR/(CR)	£	£	£	£	£	£
6	Cr Short Term Borrowing	Factual		(4,999,999.8)				-4,999,999.8		
	Dr Long Term Borrowing	Factual		4,999,999.8					4,999,999.8	
	To correct long-term and long-term misclassification due to error and identified in the 23/24 audit to have impacted the comparative information presented for 22/23									
7	Other Comprehensive Income and Expenditure	Factual	10,500,000		10,500,000					10,500,000
	MIRS - Revaluation reserve	Factual		(10,500,000)	(10,500,000)					-10,500,000
	PY year audit adjustment recorded into 22/23 in error and not identified by journal review controls									
8	MIRS	Factual		4,562,580	0					4,562,580
	Other Operating Expenditure	Factual	(4,562,580)		(4,562,580)					-4,562,580
	The incomplete journal for waterside lease is now corrected which was idnetified as part of our 23/24 audit as having a material impact on the comparative information presented in the 23/24 accounts									
	Impact of 21-22 PPA				815,746				12,699,129	(12,699,129)
	Adjusted result				19,582,282	109,500,000	660,400,000	-69,500,000	-418,400,871	--281,999,129

D. Audit Adjustments

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

2022-23 adjustments

TB / Account adjustment										
No	Description	Type	Income and expenditure DR/(CR)	Balance sheet DR/(CR)	Impact on I&E £	CA £	NCA £	CL £	NCL £	E £
	Draft result for financial statements				30,100,000	108,500,000	660,300,000	-66,900,000	-435,700,000	-266,200,000
	2022/23 corrections between the draft accounts and TB									
	Property Plant and Equipment	Judgmental		100,000			100,000			
	Short Term Debtors	Judgmental		500,000		500,000				
	Cash and Cash Equivalents	Judgmental		600,000		600,000				
	Short Term Creditors	Judgmental		4,100,000				4,100,000		
	Other Short term Liabilities	Judgmental		500,000				500,000		
	General Fund	Judgmental		400,000						400,000
	Pension Reserve	Judgmental		441,700,000						441,700,000
	Stock	Judgmental		-100,000		-100,000				
	Overdraft	Judgmental		-500,000				-500,000		
	Short Term Borrowing	Judgmental		-1,700,000				-1,700,000		
	Long Term Pension Liability	Judgmental		-429,300,000					-429,300,000	
	Other Long Term Liabilities	Judgmental		-100,000					-100,000	
	Earmarked Reserves	Judgmental		-6,100,000						-6,100,000
	Capital grants and contributions	Judgmental		-100,000						-100,000
	Collection Fund Adjustment Account	Judgmental		-10,000,000						-10,000,000
	These are manual corrections made to reconcile the trial balance to the published accounts. They are treated as prior period adjustments (PPA) in 2023/24 due to the material impact on the opening balances shown in the published 2023/24 accounts presented by management for audit. These adjustments were mainly caused by pervasive control deficiencies associated with financial statement review, journal entry review, and financial closedown controls.									

D. Audit Adjustments

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

2022-23 adjustments

TB / Account adjustment

No	Description	Type	Income and expenditure DR/(CR)	Balance sheet DR/(CR)	Impact on I&E £	CA £	NCA £	CL £	NCL £	E £
	Cost of Services	Judgmental	(2,000,000)		(2,000,000)					-2,000,000
	MIRS	Judgmental	2,000,000		2,000,000					
	Other Operating Expenditure	Judgmental	4,600,000		4,600,000					
	MIRS	Judgmental	(4,600,000)		(4,600,000)					4,600,000
	Financing and Investment Income and Expenditure	Judgmental	1,700,000		1,700,000					1,700,000
	MIRS	Judgmental	(1,700,000)		(1,700,000)					
	Taxation and non-specific grant income and expenditure	Judgmental	(11,400,000)		(11,400,000)					-11,400,000
	MIRS	Judgmental	11,400,000		11,400,000					
	(Surplus) or Deficit on Provision of Services	Judgmental	(7,100,000)		(7,100,000)					
	MIRS	Judgmental	7,100,000							7,100,000
	Other Comprehensive Income and Expenditure	Judgmental	(92,600,000)		(92,600,000)					-92,600,000
	MIRS	Judgmental	92,600,000		92,600,000					92,600,000
	Total Comprehensive Income and Expenditure	Judgmental	(99,700,000)		(99,700,000)					-99,700,000
	MIRS	Judgmental	99,700,000		99,700,000					99,700,000
	To correct differences between the published and the TB. They are treated as prior period adjustments (PPA) in 2023/24 due to the material impact on the opening balances shown in the published 2023/24 accounts presented by management for audit. These adjustments were mainly caused by pervasive control deficiencies associated with financial statement review, journal entry review, and financial closedown controls.									
	Adjusted result - Between draft & TB				23,000,000	109,500,000	660,400,000	-64,500,000	-865,100,000	159,700,000

D. Audit Adjustments

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

2021-22 adjustments

		Adjustments			Impact on balance sheet				
Description	Type	Income and expenditure	Balance sheet	Impact on I&E	CA	NCA	CL	NCL	E
		DR/(CR)	DR/(CR)	£	£	£	£	£	£
Draft result for financial statements				-	-	-	-	-	-
Cost of Services	Factual	815,746		815,746					815,746
MIRS	Factual		(815,746)						-815,746
To correct 21/22 pension entries due to change in accounting policy									
Dr Other Long Term Liabilities	Factual		12,699,129					12,699,129	
Cr Pension Reserve	Factual		(12,699,129)						-12,699,129
To correct 21/22 pension entries due to change in accounting policy									
Adjusted result				815,746	-	-	-	12,699,129	-12,699,129

D. Audit Adjustments

Misclassification and disclosure changes

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

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

Disclosure/issue/Omission	Commentary	Adjusted?
Related Parties	Disclosure to be updated to show the transactions between the Council and the subsidiaries instead of the total activity of the subsidiaries as reported	✓
Audit fees	Corrections required to the note analysis to align with final audit plan	✓
Financial instruments	Financial instrument disclosure requires update to correct the fair value for PFI liabilities to reflect the Arlingclose fair value figures.	✓
Cash flow statement	Corrections to line categorisation and values	✓
Infrastructure assets	Depreciation policy to be added along with details of useful economic lives of each asset type	✓
Prior Period adjustments	PPA disclosure note to be added to explain extent of prior year restatements	✓
Capital commitments	Comparative information added	✓
Officer remuneration disclosures	Analysis of employees earning greater than £50k updated Exit packages note updated to correct packages in wrong banding Job titles added for senior officers earning about £150k	✓
Pensions asset	Additional disclosures added to explain the impact of IFRIC 14 and the asset ceiling adjustments Pensions assumptions table updated to agree to actuary report	✓
PFI commitments	Commitments tables to be updated to align with PFI accounting model	✓
Group accounts	A number of disclosure updates were required to align the group accounts to the updated Council financial statements and group notes to the accounts	✓
Miscellaneous	A number of other minor disclosure, presentational and typographical amendments were proposed	✓

D. Audit Adjustments (continued)

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2023/24 audit which have not been made within the final set of financial statements. The Audit Committee is required to approve management's proposed treatment of all items recorded within the table below.

		Potential adjustments				Impact on balance sheet				
No	**Description**	**Type**	**Income and expenditure DR/(CR)**	**Balance sheet DR/(CR)**	**Impact on I&E £**	**CA £**	**NCA £**	**CL £**	**NCL £**	**E £**
	Draft result for financial statements				26,295,962	76,300,000	667,200,000	-66,105,794	-398,540,077	-278,854,129
	Unadjusted mistatements from prior period (Balance sheet impact)				Surplus / deficit	-	-	-	-	-
1	**Unadjusted misstatements in current period (I&E and Balance Sheet)**									
	Depreciation	Judgmental	309,000		309,000					309,000
	Asset			(309,000)			-309,000			
	The impact of depreciation misstatement caused by late depreciation of newly completed or acquired assets									
2	**Unadjusted misstatements in current period (I&E and Balance Sheet)**									
	CIES/Revaluation Reserve	Judgmental	1,800,000		1,800,000					1,800,000
	Land and Buildings			(1,800,000)			-1,800,000			
	Being extrapolated errors identified in land and building valuation									
3	**Unadjusted misstatements in current period (Balance Sheet)**									
	Pension asset	Projected		1,033,000	-		1,033,000			
	Other comprehensive Inc - Remeasurement - Return on plan assets	Projected	(1,033,000)							-1,033,000
	Cr Pension assets - For asset ceiling adjustment	Projected		(1,033,000)			-1,033,000			
	Dr Other comprehensive Inc - Remeasurement - Impact of asset ceiling adj	Projected	1,033,000							1,033,000
	Being impact of investment asset adjustments from the pension fund auditor									
							-			
5	*Dr Cash / bank*	Projected		830,176		830,176				
	Cr Long-term debtors	Projected		(830,176)		-830,176				
	Being extrapolated error identified in long-term debtors testing									

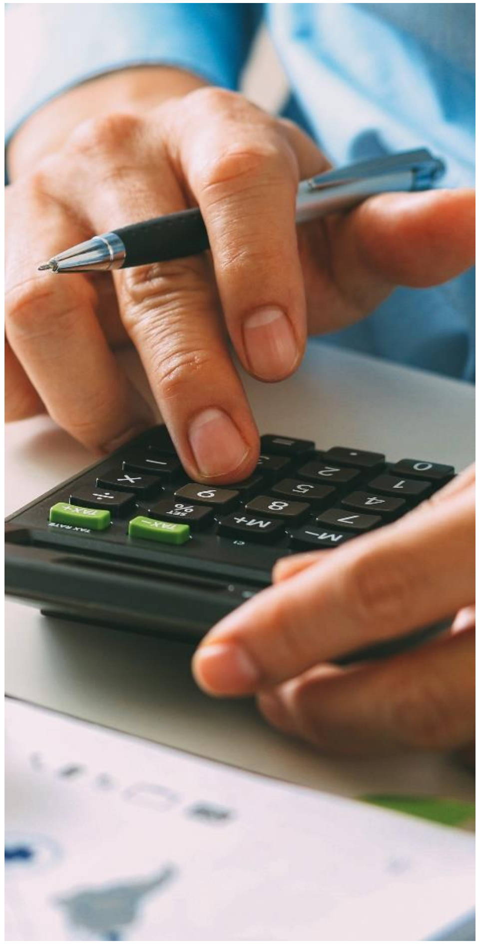
D. Audit Adjustments (continued)

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2023/24 audit which have not been made within the final set of financial statements. The Audit Committee is required to approve management's proposed treatment of all items recorded within the table below.

		Potential adjustments				Impact on balance sheet				
No	**Description**	**Type**	**Income and expenditure DR/(CR)**	**Balance sheet DR/(CR)**	**Impact on I&E £**	**CA £**	**NCA £**	**CL £**	**NCL £**	**E £**
	Draft result for financial statements				26,295,962	76,300,000	667,200,000	-66,105,794	-398,540,077	-278,854,129
	Unadjusted mistatements from prior period (Balance sheet impact)				Surplus / deficit	-	-	-	-	-
6	*Dr Fees & Charges*	Projected		1,147,472		1,147,472				
	Cr Short-term debtors	Projected		(1,147,472)		-1,147,472				
	Being extrapolated error identified in long-term debtors testing									
7	*Dr Accrued receivables*	Projected		772,879		772,879				
	Cr accrued income	Projected	(772,879)							-772,879
	Being under accrual of SW Devon Waste Partnership profit accrual for 23/24									
	Potential impact		1,336,121	(1,336,121)	28,404,962	77,072,879	665,091,000	-66,105,794	-398,540,077	-277,518,008

D. Audit Adjustments (continued)



Impact of prior year unadjusted misstatements

The table below provides details of adjustments identified during the prior year audit which had not been made within the final set of 2022/23 financial statements

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £' 000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
A formula error was identified in the valuations of investment property which caused the valuation to be understated. The total extrapolated error of £497k understates the investment property balance and corresponding movements in the CIES and MIRS.	(497)	497	(497)	Nil (adjusted through Capital Adjustment Account)	The difference is immaterial
The Fees and Charges line in Note 8 disclosed a balance of £49.5m. Officers were only able to provide a listing to support £48.9m of this balance. The remaining £603k was unsupported.	603	(603)	603	603	The difference is immaterial
Overall impact	**106**	**(106)**	**106**	603	

E. Fees and non-audit services

We confirm below our fees charged for the audit and provision of non-audit services.

Audit fees	Proposed fee	Estimated fee
Scale fee	£308,933	£308,933
ISA 315 and ISA240	£12,550	£15,690
Other additional work in relation to prior period restatements		TBC
Other additional work in relation to the reconciliation of the financial statements to the accounting records and revised draft accounts		TBC
Additional Group considerations around group restructure		TBC
Extensive work required to chase and challenge outstanding sampling evidence and responses to queries and evaluating audit errors and adjustments		TBC
Total audit fees (excluding VAT)		**TBC**

The level of additional work required to conduct the 2023-24 audit has been extensive, due to the significant issues identified in discrepancies between the initial draft financial statements and the Council's accounting records. The impact of these difficulties and quality deficiencies has meant that a significant amount of additional audit resources have been sought and utilised to support the completion of audit, to enable us to complete as much audit work as possible to regain assurance ahead of the 28 February 2025 backstop date. These additional audit inputs have resulted in over 70% of additional audit resource being required compared to expected resource levels on which the audit scale fee has been based.

A significant fee variation is expected, and we will communicate the final proposed fees to management and those charged with governance at the conclusion of the audit, once final time records have been assessed.

All fee variations will be subject to PSAA approval.

E. Fees and non-audit services

Non-audit fees for other services	Proposed fee	Final fee
Audit Related Services	-	-
Nil		
Total non-audit fees (excluding VAT) for 2023-24*	Nil	Nil

Total 2023-24 audit and non-audit fee	
(Audit Fee) - £324,623 (subject to additional variations)	(Non Audit Fee) - £ Nil

*No non audit services were provided in relation to the 2023-24 period. There were amounts billed to the Council during 2023-24 that related to grant claims and returns work relating to 2021-22 and 2022-23. Details of these non-audit services were recorded in previous financial statements and are details in our independence section on page 32 of this report. We are currently in discussions with the Council regarding the appointment of a reporting accountant for the 2023-24 Housing Benefit return, however at the time of writing this report, no formal appointment had been made.

The fees reconcile to the financial statements below.

	£'000s
• fees per financial statements	371
• Reduction Grant claims work assigned to another audit firm	(50)
• Increase in ISA 315 fee compared to audit plan	3
• total fees per above	324

This covers all services provided by us and our network to the Council, its directors and senior management and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence.

F. Auditing developments

Revised ISAs

There are changes to the following ISA (UK):

ISA (UK) 315 (Revised July 2020) 'Identifying and Assessing the Risks of Material Misstatement'
This impacts audits of financial statement for periods commencing on or after 15 December 2021.

ISA (UK) 220 (Revised July 2021) 'Quality Management for an Audit of Financial Statements'
ISA (UK) 240 (Revised May 2021) 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements

These changes will impact audit for audits of financial statement for periods commencing on or after 15 December 2022.

A summary of the impact of the key changes on various aspects of the audit is included below:

Area of change	Impact of changes
Risk assessment	The nature, timing and extent of audit procedures performed in support of the audit opinion may change due to clarification of: • the risk assessment process, which provides the basis for the assessment of the risks of material misstatement and the design of audit procedures • the identification and extent of work effort needed for indirect and direct controls in the system of internal control • the controls for which design and implementation needs to be assess and how that impacts sampling • the considerations for using automated tools and techniques.
Direction, supervision and review of the engagement	Greater responsibilities, audit procedures and actions are assigned directly to the engagement partner, resulting in increased involvement in the performance and review of audit procedures.
Professional scepticism	The design, nature, timing and extent of audit procedures performed in support of the audit opinion may change due to: • increased emphasis on the exercise of professional judgement and professional scepticism • an equal focus on both corroborative and contradictory information obtained and used in generating audit evidence • increased guidance on management and auditor bias • additional focus on the authenticity of information used as audit evidence • a focus on response to inquiries that appear implausible
Definition of engagement team	The definition of engagement team when applied in a group audit, will include both the group auditors and the component auditors. The implications of this will become clearer when the auditing standard governing special considerations for group audits is finalised. In the interim, the expectation is that this will extend a number of requirements in the standard directed at the 'engagement team' to component auditors in addition to the group auditor. • Consideration is also being given to the potential impacts on confidentiality and independence.
Fraud	The design, nature timing and extent of audit procedures performed in support of the audit opinion may change due to: • clarification of the requirements relating to understanding fraud risk factors • additional communications with management or those charged with governance
Documentation	The amendments to these auditing standards will also result in additional documentation requirements to demonstrate how these requirements have been addressed.

G. Audit opinion

Our anticipated audit report opinion will be modified with a Disclaimer of Opinion due to the lack of assurance arising from the 2022/23 backstop disclaimed audit opinion and the impact on opening balances at 1 April 2023.

Independent auditor's report to the members of Torbay Council

Report on the audit of the financial statements

Disclaimer of opinion

We were engaged to audit the financial statements of Torbay Council (the ‘Authority’) and its subsidiaries (the ‘group’) for the year ended 31 March 2024, which comprise the Movement in Reserves Statement, the Balance Sheet, the Comprehensive Income and Expenditure Statement, the Cash Flow Statement, the Collection Fund Statement, the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

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

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (‘the Regulations’) require the Authority to publish audited financial statements for the year ended 31 March 2024 by 28 February 2025 (‘the backstop date’). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements.

On 11 December 2024, we issued a disclaimer of opinion on the Authority’s and the group’s financial statements for the year ended 31 March 2023, as we had not been able to obtain sufficient appropriate audit evidence by 13 December 2024, the previous backstop date, that the financial statements were free from material misstatement. We were therefore unable to obtain sufficient appropriate audit evidence over the corresponding figures or whether there was any consequential effect on the Authority and Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2024 for the same reason.

As a result of the limitations imposed by the backstop date, we have been unable to obtain sufficient appropriate audit evidence over the Authority’s and group’s opening balances reported in the financial statements for the year ended 31 March 2024. Consequently, we have been unable to satisfy ourselves over the in-year movements in the net pension liability and property, plant and equipment and this has resulted in uncertainty over the closing balance of property, plant and equipment of £307.7 million as at 31 March 2024. Similarly, we have not been able to obtain assurance over the Authority’s and group’s closing reserves balance of £278.8 million as at 31 March 2024, also due to the uncertainty over their opening amount.

We have concluded that the possible effects of these matters on the financial statements could be both material and pervasive. We have therefore issued a disclaimer of opinion on the financial statements. This enables the Authority to comply with the requirement of the Regulations to publish the financial statements for the year ended 31 March 2024 by the backstop date.

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

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Opinion on other matters required by the Code of Audit Practice

The Director of Finance is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the Authority’s and group’s financial statements and our auditor’s report thereon. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources, whether the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

G. Audit opinion

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Authority and the Director of Finance

As explained more fully in the Chief Finance Officer’s Responsibilities, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Finance. The Director of Finance is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, for being satisfied that they give a true and fair view, and for such internal control as the Director of Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director of Finance is responsible for assessing the Authority’s and the group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority and the group without the transfer of its services to another public sector entity.

Auditor’s responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Authority’s and the group’s financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor’s report. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

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

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

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

The audit was defective in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matter described in the basis for disclaimer of opinion section of our report.

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

G. Audit opinion

We have nothing to report in respect of the above matter, except:

On 25 February 2025, we identified a significant weakness in the Authority's governance arrangements. This was in relation to the Council's capacity and capability within its finance team to support the preparation of its statement of accounts. We recommended that the Council ensures there is sufficient capacity and capability so that financial reports including the statement of accounts, are prepared adequately with sufficient quality assurance for review. Furthermore, sufficient capacity should be given to the finance team to ensure that audit queries are met in a timely manner and resolved sufficiently.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

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

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

We cannot formally conclude the audit and issue an audit certificate for Torbay Council for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until the National Audit Office has concluded their work in respect of Whole of Government Accounts for the year ended 31 March 2024. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2024.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signature:

Julie Masci, Key Audit Partner

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

Bristol

[Date]

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