

**NEW FOREST NATIONAL PARK AUTHORITY
RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 7 FEBRUARY 2022**

ERNST & YOUNG LLP – ANNUAL AUDIT REPORT 2020/21

Report by: Nigel Stone, Head of Resources (CFO)

1 Summary

- 1.1 **Annex 1** contains the Annual Audit Report for 2020/21 from our External Auditors Ernst & Young LLP – this was previously known as the Annual Audit Letter.
- 1.2 The report largely contains a summary of the information previously communicated to Members throughout the 2020/21 audit process.
- 1.3 Members will note on page 4 that the audit certificate is still yet to be issued due to delays within the Whole of Government Accounts submissions, in fact the paperwork for completion has yet to even be released by the National Audit Office.
- 1.4 As per last year, in Appendix A (page 24 of the document), Ernst & Young have included a proposal to increase the base audit fee, for the work they have already carried out, from £10,226 to £37,644 – a rise of £27,418 or 268%. Whilst there is continued acknowledgement from us that some audit risks, rules or processes may have changed since the original fees were set, such a steep rise in the fee is clearly unjustified.
- 1.5 Ernst & Young have now taken their claim, dating back to 2019/20, to Public Sector Audit Appointments Ltd (PSAA) who oversee the appointment of our auditors, set the scale fees and arbitrate on any disputes. The Authority has still not been formally contacted by PSAA about the matter, however we are reassured at each other contact with PSAA that this will definitely happen when our case is to be considered. I welcome the 'Note 1' comments on page 24 stating that similar disputes handled by PSAA have been concluded with average scale fee variations of around +48%, which would equate to an additional £4,900 per year for us.

2 Recommendation

It is recommended that the Committee accept the report on behalf of the Authority, but that it does not accept the unilateral fee rebasing figures set out in Appendix A.

Papers:

RAPC 468/22 – E&Y Annual Audit Report

RAPC 468/22 – Annex 1 Annual Audit Report 2020/21

Equality and Diversity Implications:

There are no specific equality or diversity implications arising out of this report

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