

Horsham District Council

Audit results report - Updated

Year ended 31 March 2025

17 December 2025



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



Shape the future
with confidence



Audit Committee
Horsham District Council
Albery House,
Springfield Road,
Horsham
West Sussex, RH12 2GB

17 December 2025

Dear Committee Members,
2024/25 Audit results report

We are pleased to attach our updated audit results report. This report summarises our audit conclusion in relation to our 2024/25 audit of Horsham District Council and provides an update to the report which was presented at the 26 November 2025 meeting of the Audit Committee.

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

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

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

The [2025 Transparency Report](#) for EY UK provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion as of 27 June 2025.

Yours faithfully

Hassan Rohimun

Partner,

For and on behalf of Ernst & Young LLP

Encl.

Contents

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

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

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

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

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



01 Executive Summary

Executive Summary – Context for the audit

Context for the audit - Measures to address local audit delays

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

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

The Ministry of Housing, Communities and Local Government (MHCLG) has worked collaboratively with the Financial Reporting Council (FRC) and other system partners, to develop and implement measures to clear the backlog. The approach to addressing the backlog consists of three phases:

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

As reported in our 11/02/2025 Audit Results Report, we issued a disclaimer of opinion on the Council's 2022/23 and 2023/24 financial statements under these arrangements to reset and recover local government audit. In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances. As a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over some brought forward balances from 2023/24 where we did not gain assurance (i.e., the opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all the 2023/24 comparative balances disclosed in the 2024/25 financial statements. Taken together with the requirement to conclude our work by the 2024/25 back stop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2024/25 financial statements are free from material and pervasive misstatement of the financial statements. We therefore anticipate issuing a disclaimed 2024/25 audit opinion.

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

Executive Summary – Context for the audit

Scope update

In our Audit Planning Report presented at the 18 June 2025 Audit Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

- Changes in materiality - We updated our planning materiality assessment using the draft financial statements and have also reconsidered our risk assessment. Based on our materiality measure of gross revenue expenditure on services, we have updated our overall materiality assessment to £1.65m (Audit Planning Report – £1.47m). This results in updated performance materiality, at 75% of overall materiality, of £1.24m, and an updated threshold for reporting misstatements of £0.08m.

Status of the audit

We have completed our audit for the year ended 31 March 2025 and have performed the procedures outlined in our Audit Planning Report. We anticipate issuing a disclaimer audit opinion on the Council's financial statements in the form which appears at section 04.

Executive Summary (cont'd)

Value for Money

In our Audit Planning Report dated 18 June 2025, we reported that whilst we had not completed our value for money (VFM) risk assessment based on the procedures undertaken we had not identified any risks of the Council not having proper arrangements to secure economy, efficiency and effectiveness on its use of resources. Having updated and completed the planned procedures in these areas we did not identify a significant weakness. See Section 03 of the report for further details.

Audit differences

- Unadjusted misstatements increase usable reserves by £0.09m. Details of individual misstatements are outlined in Section 05 of this report.
- Management have agreed to amend the financial statements for the following misstatements:
 - Housing Benefits - £0.99m housing benefit expenditure and income was not netted off correctly.
 - Short term investments - £1.04m incorrectly classified as short- investment instead of long-term investment.
 - IFRS 16 Lease Liability - £6.1m incorrectly classified under the 'Council tax and NDR appropriations' line in the balance sheet when it should be reported on a separate line as 'IFRS 16 Lease Liability'.
 - **IFRS 16 - Depreciation of £0.35m was incorrectly netted off against Minimum Revenue Provision (MRP) of £0.38m, resulting in the IFRS16 MRP being reported as £0.03m instead of £0.38m. Depreciation should be reported as £0.35m.**
 - Council Tax - Incorrectly classified discretionary council tax support scheme of £0.55m under 'low tier funding' line instead of 'Council tax' line in the 'Taxation and Non-Specific Grant income' note.
 - Property, Plant and Equipment - **The valuation methodology for car parks. total value of £24.7m, was incorrect due to the Council's valuer using inaccurate income figures and inappropriate yield assumptions. The corrected valuations for the larger car parks (5 in total) resulted in a £5.5m reduction in the value of car park assets, from £24.7m to £19.2m. This also led to the following adjustments: Property, Plant and Equipment closing balances decreasing by £5.5m, Capital Adjustment Account decreasing by £1.97m, Revaluation Reserve decreasing by £3.53m and the CIES deficit on provision of services increasing by £1.26m*. This difference also resulted in adjustments to the prior year figures.**
 - * There is no impact to the General Fund reserves as the decrease in valuation is reversed out in the Capital Adjustment Account through the Movement in Reserves Statement,
- Management have also corrected a number of disclosure misstatements. See Section 05 of this report for further details.

Other reporting issues

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

We have not completed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts (WGA). We cannot issue our Audit Certificate until these procedures are complete, and the NAO has confirmed no further procedure are required.

Executive Summary (cont'd)

Areas of audit focus

In our Audit Planning Report, we identified a number of key areas of focus for our audit of the financial report of the Council. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is explained within the 'Areas of Audit Focus' section of this report and summarised below. Where applicable we have identified those matters that we consider to be key audit matters. Key audit matters are selected from the matters we communicate to you that in our opinion are of most significance to the current period audit and required significant attention in performing the audit. In accordance with ISA (UK) 701, key audit matters are included in our auditor's report.

Risk	Status of our work
Presumptive risk of management override of controls	We have completed our audit procedures in response to this risk and have not identified any evidence of management override of controls.
Risk of fraud in revenue and expenditure recognition, through inappropriate capitalisation of revenue expenditure; or manipulation of revenue expenditure funded through capital under statute through the movement in reserve statement (MIRS).	We have completed our audit procedures in response to this risk and have not identified any evidence of inappropriate capitalisation of revenue expenditure or manipulation of revenue expenditure funded through capital under statute through the movement in reserve statement (MIRS).
Pension asset valuation	We completed our audit procedures in response to this risk. We identified a number of disclosure errors, which management have corrected. The pensions fund auditor also identified a £0.58m overstatement of assets due changes in pension asset values. Management have not corrected for this judgemental misstatement on the basis of materiality.
IFRS 16 Leases Accounting - First Time Adoption	<p>We have completed our audit procedures in response to this risk. We identified that:</p> <ul style="list-style-type: none"> ▶ IFRS16 lease liabilities of £6m was incorrectly classified under 'Council tax and NDR appropriations' line in the balance sheet. ▶ IFRS 16 - Depreciation of £0.35m was incorrectly netted off against Minimum Revenue Provision (MRP) of £0.38m, resulting in the IFRS16 MRP being reported as £0.03m instead of £0.38m. Depreciation should be reported as £0.35m. ▶ IFRS 16 lease payment of £0.43m shown in the cashflow statement was incorrectly classified under the heading 'Adjust for items in the net deficit on the provision of services that are investing or financing activities' instead of 'Other payments for financial activities'. ▶ IFRS 16 leases disclosure in respect of lease liability was not in line with the CIPFA Code of Practice. <p>These has been corrected by management.</p>
Migration of cash receipting system from ICON to Smart Pay	We have completed our audit procedures in response to this risk and identified no evidence of material misstatement in respect of the cash duplication matter identified in our Audit Planning Report.

Executive Summary (cont'd)

Areas of audit focus (Cont'd)

Risk	Status of our work
Valuation of Land and Buildings within Property, Plant & Equipment (PP&E) and Investment Property (IP)	<p>We completed our audit procedures in response to this risk. Our testing of Land and Buildings and Investment Property valuations identified:</p> <ul style="list-style-type: none">▶ That the valuation methodology for car parks. total value of £24.7m, was incorrect due to the Council's valuer using inaccurate income figures and inappropriate yield assumptions. The corrected valuations for the larger car parks (5 in total) resulted in a £5.5m reduction in the value of car park assets, from £24.7m to £19.2m. <p>This also led to the following adjustments: Property, Plant and Equipment closing balances decreasing by £5.5m, Capital Adjustment Account decreasing by £1.97m, Revaluation Reserve decreasing by £3.53m and the CIES deficit on provision of services increasing by £1.26m*</p> <p>The following prior year adjustments were also made:</p> <ul style="list-style-type: none">• Opening balance Sheet 01/04/2023: Property, Plant and Equipment decreasing by £3.14m, Capital Adjustment Account decreasing by £1.77m, Revaluation Reserve decreasing by £1.37m and the CIES deficit on provision of services decreased by £1.77m*.• Closing balance Sheet 31/03/2024: Property, Plant and Equipment decreasing by £6.52m, Capital Adjustment Account decreasing by £3.18m, Revaluation Reserve decreasing by £3.43m and the CIES deficit on provision of services decreasing by £1.38m*. <p>* There is no impact to the General Fund reserves as the decrease in valuation is reversed out in the Capital Adjustment Account through the Movement in Reserves Statement,</p> <p>The above differences were corrected by management.</p> <p>The smaller car parks had a value at 31 March 2025 of £5.21m and management decided not to adjust for the overstatement of £0.9m on the basis of materiality.</p> <ul style="list-style-type: none">▶ That the valuation methodology for housing assets valued in 2023/24 was incorrect. Management have calculated the 2023/24 misstatement amount to £0.85m and have not corrected for this misstatement on the basis of materiality and because a significant number of the housing assets were valued in 2024/25 using the correct valuation methodology, resulting in £0.76m misstatement being corrected through the 2024/25 valuation with remaining £0.09m misstatement left uncorrected in 2024/25. <ul style="list-style-type: none">▶ As part of the cyclical valuation process to assess: if there were any valuation changes from the 31 December 2024 valuation date to the 31 March 2025 balance sheet date of 31 March 2025; and whether there had been a change in valuation of assets not valued as part of the cyclical valuation in 2024/25, management identified from a review of relevant indices that there was a potential £0.37m understatement and concluded that no adjustment was required.

Executive Summary (cont'd)

Areas of audit focus

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

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

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

Control observations

During the audit, we identified observations and improvement recommendations in relation to management's financial processes and controls. Further details of our observations and recommendations are set out in Section 06 of this report.

Independence

Please refer to Section 08 for our update on Independence. We have no matters to report.

Factors impacting the execution of the audit

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

Executive Summary (cont'd)

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

Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements	Effective			The financial statements were published by the 30 th June 2025 deadline set out in the Accounts and Audit Regulations.	N/A
Quality and completeness of the draft financial statements	Effective			There were some minor instances of typographical and arithmetic errors in the draft financial statements that should have been detected through internal quality review procedures prior to publication.	N/A
Delivery of working papers in accordance with agreed client assistance schedule	Requires improvement			There was some delay in the delivery of working papers at the start of the audit. Working papers should be provided to the agreed timetable.	N/A
Quality of working papers and supporting evidence	Requires improvement			Working papers and supporting evidence were generally of a good standard, however there is scope to improve the supporting information received from the Council's valuer where further evidence was required to support the valuation of land and buildings and investment properties.	N/A
Timeliness and quality of evidence supporting key accounting estimates	Requires improvement			There were delays in receiving supporting evidence from the Council's valuer relating to the valuation of land and buildings and investment properties. The evidence and explanations provided were insufficient in quality, which created challenges in completing the planned audit procedures within the scheduled hours, as additional clarification and further documentation were required.	N/A
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective			The finance team were available to support all of the audit as agreed in the project plan.	N/A
Volume and value of identified misstatements	Requires improvement			A number of misstatements, including a material misstatement, were detected during the course of the audit.	See Section 05 for details of corrected/ uncorrected misstatements.
Volume of misstatements in disclosure	Requires improvement			A number of misstatements in disclosures were identified during the course of the audit.	See Section 05 for details of corrected misstatements.

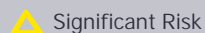


02 Areas of Audit Focus

Areas of Audit Focus

Fraud risk

Presumptive risk of management override of controls



Significant Risk

What is the risk?

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

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

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

What are our conclusions?

We have completed our audit procedures in response to this risk :

- We have not identified any material weaknesses in controls or evidence of material management override.
- We have not identified any instances of inappropriate judgements being applied.
- We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.
- Our journal entry testing has not identified any instances of inappropriate posting of journals.

Our response to the key areas of challenge and professional judgement

In response to this risk, we:

- ▶ Identified fraud risks during the planning stages of our audit;
- ▶ Made inquiries of management about risks of fraud and the controls put in place to address those risks;
- ▶ Obtained an understanding of the oversight given by those charged with governance of management's processes over fraud;
- ▶ Discussed with those charged with governance the risks of fraud in the entity;
- ▶ Considered whether there are any fraud risk factors associated with related party relationships and transactions;
- ▶ Considered the effectiveness of management's controls designed to address the risk of fraud;
- ▶ Determined an appropriate strategy to address those identified risks of fraud;
- ▶ Performed mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements;
- ▶ Undertook procedures to identify significant unusual transactions and concluded there was no evidence of material misstatement due to fraud or error arising from them;
- ▶ Considered whether management bias was present in the key accounting estimates and judgments in the financial statements. No evidence of bias was identified.


What else did we do and further relevant information

Having evaluated this risk, we have considered whether we need to perform other audit procedures not referred to above. We concluded that those procedures included under 'inappropriate capitalisation of revenue expenditure; or manipulation of revenue expenditure funded through capital under statute (REFCUS) through the movement in reserve statement' are required.

Areas of Audit Focus (cont'd)

Fraud risk

Risk of fraud in revenue and expenditure recognition, through inappropriate capitalisation of revenue expenditure; or manipulation of revenue expenditure funded through capital under statute (REFCUS) through the movement in reserve statement

 Significant Risk

What is the risk?

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

We have identified the main areas as being; inappropriate classification of revenue spend as capital expenditure and manipulation of revenue expenditure funded through capital under statute (REFCUS) through the movement in reserve statement.

What are our conclusions?

We have completed our work on capital additions and REFCUS and have not identified any additions that were incorrectly capitalised or REFCUS items manipulated through the movement in the reserve statement.

Our testing of year end journals did not identify any movements from expenditure to capital outside of the normal course of business.

Our response to the key areas of challenge and professional judgement

In response to this risk, we:

- ▶ Tested a sample of Property, Plant and Equipment (PP&E) and Investment Property (IP) additions to ensure that the expenditure incurred and capitalised was capital in nature.
- ▶ Confirmed that the capitalised spend enhanced or extended the useful life of the asset rather than simply repairing or maintaining the asset on which it is incurred.
- ▶ Tested any development or other related costs that had been capitalised to ensure they were reasonable to capitalise i.e. the costs incurred are directly attributable to brought the asset into operational use.
- ▶ Tested REFCUS to ensure that the expenditure incurred correctly relates to revenue expenditure financed as capital under statute.
- ▶ Confirmed that there were no journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year which were not considered as part of our testing above.

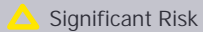
What else did we do and further relevant information

We concluded that these procedures were sufficient to address this risk.

Areas of Audit Focus (cont'd)

Significant risk

Valuation of Land and Buildings and Investment Property



What is the risk?

Management is required to make material judgmental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

The Council's PP&E and IP (fixed assets) account for the largest proportion of the Council's assets. The assets are valued using either an Existing Use Valuation (EUV), Depreciated Replacement Cost (DRC) and/or Fair Value (FV) methodology which are subject to a number of assumptions and judgements by the management's expert. There is a risk that the use of incorrect lease information, inappropriate assumptions or methodologies may have a material impact on the financial statements, especially given high uncertainty in markets at present.

What are our conclusions?

We have completed our audit procedures in response to this risk.

We identified that the valuation methodology for housing assets valued in 2023/24 was incorrect as the valuer incorrectly applied the vacant possession criteria in 2023/24 when the valuation guidance had changed in October 2024. Management have calculated the 2023/24 misstatement amount to £0.85m and have not corrected for misstatement due to materiality and because a significant number of the housing assets were valued in 2024/25 using the correct valuation methodology, resulting in £0.76m misstatement being corrected through the 2024/25 valuation with remaining £0.09m misstatement left uncorrected.

As part of the cyclical valuation process to assess if there were any changes in valuation from the 31 December 2024 valuation date and the balance sheet date of 31 March 2025 and whether there had been a change in valuation of assets not valued as part of the cyclical valuation in 2024/25, management identified through a review of the movement in indices that such assets are potentially understated by £0.37m and concluded that no adjustment was required.

Our response to the key areas of challenge and professional judgement

In response to this risk, we:

- ▶ Considered the work performed by the Council's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work.
- ▶ Engaged internal EY valuation specialists (EY Real Estate) to review the approach of the Council's valuer, consider assumptions underpinning the valuation and to provide expected valuations for a sample of assets valued during the year.
- ▶ Considered the annual cycle of valuations to ensure that assets had been valued within a 5-year rolling programme for PP&E and annually for IP as required by the Code.
- ▶ Considered if there were any specific changes to assets that should have been communicated to the valuer.
- ▶ Sample tested key inputs used by the valuer when producing valuations.
- ▶ Challenged the assumptions used by the Council's valuers by reference to external evidence and our EY valuation specialists (where necessary).
- ▶ Tested journals for the valuation adjustments to confirm that they have been accurately processed in the financial statements.
- ▶ Tested a sample of assets revalued in year using a lower testing threshold to confirm that the valuation basis was appropriate, and the accounting entries were correct.
- ▶ Reviewed assets that were not subject to valuation in 2024/25, if applicable, to confirm the remaining asset base was not materially misstated at the Balance Sheet date.

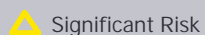
What else did we do and further information ?

We concluded that these procedures were sufficient to address this risk.

Areas of Audit Focus (cont'd)

Significant risk

Valuation of Land and Buildings and Investment Property (Cont'd)



What are our conclusions?

Our specialists (EY Real Estate) identified that the valuation methodology for car parks, total value of £24.7m, was incorrect due to the Council's valuer using inaccurate income figures and inappropriate yield assumptions. The corrected valuations for the larger car parks (5 in total) resulted in a £5.5m reduction in the value of car park assets, from £24.7m to £19.2m.

This also led to the following adjustments: Property, Plant and Equipment closing balances decreasing by £5.5m, Capital Adjustment Account decreasing by £1.97m, Revaluation Reserve decreasing by £3.53m and the CIES deficit on provision of services increasing by £1.26m*

The following prior year adjustments were also made:

- Opening balance Sheet 01/04/2023: Property, Plant and Equipment decreasing by £3.14m, Capital Adjustment Account decreasing by £1.77m, Revaluation Reserve decreasing by £1.37m and the CIES deficit on provision of services decreased by £1.77m*.
- Closing balance Sheet 31/03/2024: Property, Plant and Equipment decreasing by £6.52m, Capital Adjustment Account decreasing by £3.18m, Revaluation Reserve decreasing by £3.43m and the CIES deficit on provision of services decreasing by £1.38m*.

* There is no impact to the General Fund reserves as the decrease in valuation is reversed out in the Capital Adjustment Account through the Movement in Reserves Statement,

The above differences were corrected by management.

The smaller car parks had a value at 31 March 2025 of £5.21m and management decided not to adjust for the overstatement of £0.9m on the basis of materiality.

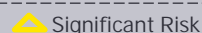
Further details can be found in section 05 of this report.

We have also made one recommendation in respect of valuation of PPE assets – see Section 06 of the report for further details.

Areas of Audit Focus (cont'd)

Significant risk

Pension asset valuation



What is the risk?

The Local Authority Accounting Code of Practice and IAS 19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by the Council.

The Council's pension fund asset is a material estimated balance, and the Code requires that this asset be disclosed on the Council's Balance Sheet.

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

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

What are our conclusions?

We have completed our audit procedures in response to this risk. We identified a number of disclosure errors, which management have corrected.

The pensions fund auditor also identified a £0.58m overstatement of assets due changes in pension asset values. Management have not corrected for this judgemental misstatement on the basis of materiality.

Further details can be found in section 05 of this report.

Our response to the key areas of challenge and professional judgement

In response to this risk, we:

- ▶ Liaised with the auditors of West Sussex Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the Council.
- ▶ Assessed the work of the pension fund actuary including the assumptions they have used by relying on the work of PwC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors and considered any relevant reviews by the EY actuarial team.
- ▶ Evaluated the reasonableness of the Pension Fund actuary's calculations by comparing them to the outputs of our own auditor's specialist's model.
- ▶ Reviewed and tested the accounting entries and disclosures made within the Council's financial statements in relation to IAS 19.
- ▶ Evaluated whether the recorded amount was adjusted for any effect of limiting a net defined benefit asset to the asset ceiling as required by the Code.
- ▶ We considered outturn information available at the time we undertook our work after production of the Council's draft financial statements, for example, the year-end actual valuation of pension fund assets. We used this to inform our assessment of the accuracy of estimated information included in the financial statements and whether any adjustments were required.

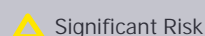
What else did we do and further relevant information

We concluded that these procedures were sufficient to address this risk.

Areas of Audit Focus (cont'd)

Significant risk

IFRS 16 Leases Accounting - First Time Adoption



Significant Risk

What is the risk?

IFRS 16 Leases is applicable in local government for periods beginning 1 April 2024. It has been adopted, interpreted and adapted in the 2024/25 CIPFA Code of Practice on Local Authority Accounting which sets out the financial reporting framework for the Council's 2024/25 accounts. IFRS 16 eliminates the operating/finance lease distinction for leases and imposes a single model geared towards the recognition of all but low-value or short-term leases. Where the Council is lessee, these will now be recognised on the Balance Sheet as a 'right of use' asset and lease liability reflecting the obligation to make lease payments.

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

What are our conclusions?

We have completed our audit procedures in response to this risk. We identified that:

- ▶ IFRS16 lease liabilities of £6m was incorrectly classified under 'Council tax and NDR appropriations' line in the balance sheet.
- ▶ **IFRS 16 - Depreciation of £0.35m was incorrectly netted off against Minimum Revenue Provision (MRP) of £0.38m, resulting in the IFRS16 MRP being reported as £0.03m instead of £0.38m. Depreciation should be reported as £0.35m.**
- ▶ **IFRS 16 lease payment of £0.43m shown in the cashflow statement was incorrectly classified under the heading 'Adjust for items in the net deficit on the provision of services that are investing or financing activities' instead of 'Other payments for financial activities'.**
- ▶ IFRS 16 leases disclosure in respect of lease liability was not in line with the CIPFA Code of Practice.

These have been corrected by management. See Section 05 of this report for further details.

Our response to the key areas of challenge and professional judgement

In response to this risk, we:

- ▶ Gained an understanding of the processes and controls developed by the Council relevant to the implementation of IFRS 16. We will pay particular attention to the Council's arrangements to ensure lease and lease-type arrangements considered are complete.
- ▶ Reviewed the discount rate that was used to calculate the right of use asset and assess its reasonableness.
- ▶ Reviewed management policies, including whether to use a portfolio approach, low value threshold, and asset classes which management was adopting as the practical expedient for non-lease components.
- ▶ Gained assurance over the right of use asset included in the 2024/25 financial statements.
- ▶ Sample tested leases to ensure that transition arrangements were correctly applied.
- ▶ Considered the accounting for leases provided at below market rate, including peppercorn and nil consideration, and the need to make adjustments to cost in the valuation of right of use assets at the balance sheet date.

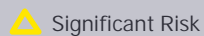
What else did we do and further relevant information

We concluded that these procedures were sufficient to address this risk.

Areas of Audit Focus (cont'd)

Significant risk

Migration of cash receipting system from ICON to Smart Pay



What is the risk?

During 2024/25, the Council implemented a new cash receipting system, transferring from using "ICON" to "Smart Pay".

The migration to a new cash receipting system increases the risk in relation to the completeness and accuracy of the cash receipts recorded in the financial statements, and consequently affecting cash and income.

Based on our initial assessment of the account balances through our overall analytical review, we have noted that certain issues have been identified that resulted to duplication in cash and income balances reported in the general ledger account and these matters are currently being resolved by management.

What are our conclusions?

We have completed our audit procedures in response to this risk and identified no evidence of material misstatement in respect of the cash duplication matter identified in our Audit Planning Report.

Our response to the key areas of challenge and professional judgement

In response to this risk, we:

- ▶ Gained an understanding of the process and walkthrough of the old and new system to better understand the process.
- ▶ Obtained and reviewed bank account reconciliations to ensure cash balances were correctly recorded. Sample tested reconciling items to ensure transactions were complete and accurate.
- ▶ Undertook ISA (UK) 315 (Revised) risk assessment procedures for the new systems that were implemented.
- ▶ Determined the specific issues identified by management and assessed its impact on the financial statements.
- ▶ Assessed management's action plan in addressing and resolving the issues identified relating to system changes.
- ▶ Undertook substantive testing of the accounts affected by the system changes to reflect the increased risk of error.

What else did we do and further relevant information

We concluded that these procedures were sufficient to address this risk.



03 Value for Money

Value for Money

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

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

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

Risk assessment and status of our work

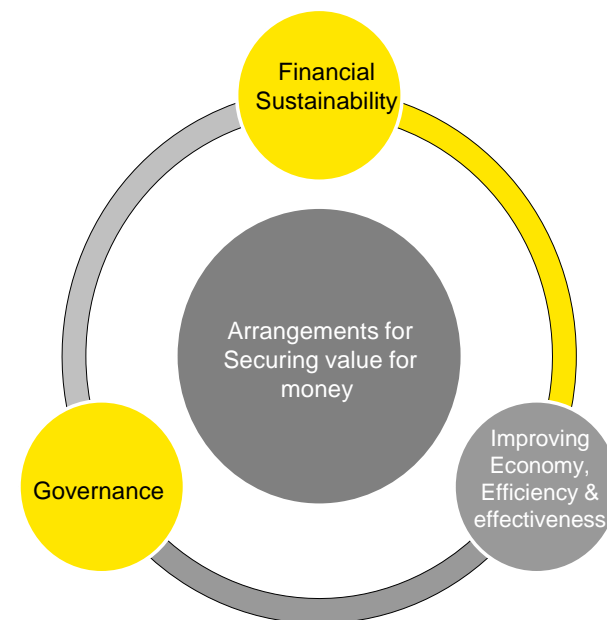
We are required to consider whether the Council has made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

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

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

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

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





04 Audit Report

Audit Report

Draft audit report

Our opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORSHAM DISTRICT COUNCIL

Disclaimer of Opinion

We were engaged to audit the financial statements of Horsham District Council ('the Council') for the year ended 31 March 2025. The financial statements comprise the:

- Movement in Reserves Statement,
- Comprehensive Income and Expenditure Statement,
- Balance Sheet,
- Cash Flow Statement
- the related notes 1 to 32 including material accounting policy information
- Collection Fund and the related notes 1 to 3.

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 2024/25.

We do not express an opinion on the accompanying financial statements of the Council. 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 (Statutory Instrument 2024/907) ('the Regulations') which came into force on 30 September 2024 required the accountability statements for the year ended 31 March 2025 to be approved not later than 27 February 2026 ('the backstop date').

Our planned audit work in the current year was focused on transactions in the year and the current year balance sheet.

As a result of the disclaimers of opinion on the financial statements in the prior years and the scope of our audit work, which was impacted by the backstop dates, we do not have sufficient appropriate audit evidence over: the valuation of property, plant and equipment that were revalued in the financial years 2022/23 and 2023/24, amounting

to £113,032,000 and £136,231,000 respectively, and the consequential impact of these on the Comprehensive Income and Expenditure Statement; and the total of reserves and their classification except for the pensions reserve and the accumulated absences reserve, amounting to £37,651,000 as at 31 March 2024.

Therefore, we are disclaiming our opinion on the financial statements.

The audit of the financial statements for the year ended 31 March 2023 for Horsham District Council was not completed for the reasons set out in our disclaimer of opinion on those financial statements dated 28 November 2024.

Matters on which we report by exception

Notwithstanding our disclaimer of opinion on the financial statements we have nothing to report in respect of whether the annual governance statement is misleading or inconsistent with other information forthcoming from the audit, performed subject to the pervasive limitation described above, or our knowledge of the Council.

We report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- 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 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)
- we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in these respects.

Audit Report (cont'd)

Our opinion on the financial statements

Responsibility of the Director of Resources

As explained more fully in the Statement of the Director of Resources Responsibilities set out on page 9, the Director of Resources 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 2024/25, for being satisfied that they give a true and fair view and for such internal control as the Director of Resources 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 Resources is responsible for assessing the Council'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 the Council either intends to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Council's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Code of Audit Practice 2024 and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2024, having regard to the guidance on the specified reporting criteria issued by the

Comptroller and Auditor General in November 2024, as to whether Horsham District Council had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Horsham District Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether Horsham District Council had put in place proper arrangements to secure 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 (as amended) to satisfy ourselves 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.

Certificate

We cannot formally conclude the audit and issue an audit certificate until the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of Horsham District Council.

Use of our report

This report is made solely to the members of Horsham District Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

Hassan Rohimun (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Manchester



05 Audit Differences

Audit Differences

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

Summary of adjusted differences

We highlight the following known misstatements greater than £83k which have been corrected by management that were identified during the course of our audit:

- Housing Benefits - £0.99m housing benefit expenditure and income was not netted off correctly.
- Short term investments - £1.04m incorrectly classified as short-term investment instead of long-term investment.
- IFRS 16 Lease Liability - £6.1m incorrectly classified under 'Council tax and NDR appropriations' line in the balance sheet when it should be under separate balance sheet line as 'IFRS 16 Lease Liability'.
- IFRS 16 - Depreciation of £0.35m was incorrectly netted off against Minimum Revenue Provision (MRP) of £0.38m, resulting in the IFRS16 MRP being reported as £0.03m instead of £0.38m, while depreciation should be reported as £0.35m.
- Council Tax - Incorrectly classified discretionary council tax support scheme of £0.55m under 'low tier funding' line instead of 'Council tax' line in the 'Taxation and Non-Specific Grant income' note.

Property, Plant and Equipment - the valuation methodology for car parks. total value of £24.7m, was incorrect due to the Council's valuer using inaccurate income figures and inappropriate yield assumptions. The corrected valuations for the larger car parks (5 in total) resulted in a £5.5m reduction in the value of car park assets, from £24.7m to £19.2m.

This also led to the following adjustments: Property, Plant and Equipment closing balances decreasing by £5.5m, Capital Adjustment Account decreasing by £1.97m, Revaluation Reserve decreasing by £3.53m and the CIES deficit on provision of services increasing by £1.26m*

The following prior year adjustments were also made:

- Opening balance Sheet 01/04/2023: Property, Plant and Equipment decreasing by £3.14m, Capital Adjustment Account decreasing by £1.77m, Revaluation Reserve decreasing by £1.37m and the CIES deficit on provision of services decreased by £1.77m*.
- Closing balance Sheet 31/03/2024: Property, Plant and Equipment decreasing by £6.52m, Capital Adjustment Account decreasing by £3.18m, Revaluation Reserve decreasing by £3.43m and the CIES deficit on provision of services decreasing by £1,38m*.

* There is no impact to the General Fund reserves as the decrease in valuation is reversed out in the Capital Adjustment Account through the Movement in Reserves Statement,

We have identified a number of known misstatements in the disclosure notes to the financial statements these were subsequently updated by Council. Below are the most significant adjustment to the financial statements and notes:

Cashflow statement - IFRS 16 lease payment of £0.43m shown in the cashflow statement was incorrectly classified under the heading 'Adjust for items in the net deficit on the provision of services that are investing or financing activities' instead of 'Other payments for financial activities'.

Note 15 Financial Instrument –

- The disclosure includes the following statement: "The debtors line on the balance sheet includes £3.4m short-term debtors that do not meet the definition of a financial assets as they relate to non-exchange transactions" however the reference to £3.4m is incorrect as it should refer to £4m.

Audit Differences

Summary of adjusted differences (Cont'd)

Note 15 Financial Instrument –

- Credit rating table detailing short term AAA rating balance of £4.09m incorrectly includes a £2m investment that has AA rating.

Note 24 Leases – One lease included in the schedule was calculated using incorrect date and rent amount resulting in a £0.28m adjustment to the disclosure.

Note 24 Leases – The supporting evidence identified that contingent rent were incorrectly recorded as £0.39m instead of £0.16m.

Note 24 Leases – IFRS 16 leases disclosure in respect of lease liability was not in line with the CIPFA Code of Practice.

Note 20 Pension Reserve – Figures were incorrectly stated in the note as follows:

- “Actuarial gains or losses on pensions assets and liabilities” were incorrectly recorded as £44.90m instead of £42.27m.
- “Reversal of items relating to retirement benefits debited or credited to the surplus of Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement” were incorrectly recorded as £-0.13m instead of £0.13m.

Note 20 Capital Adjustment Account - Figures were incorrectly stated in the note as follows:

- “Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing” were incorrectly recorded as £-3.62m instead of £-3.76m.
- “Grants from the Capital Grants Unapplied Account” were incorrectly recorded as £1.15m instead of £-0.99m.

Note 29 Capital Financing Requirement (CFR) - The ‘property, plant and equipment’ (PPE) line within the CFR should be recorded as £6.02m and not £11.86m and IFRS 16 lease liability of £5.48m should be disclosed on a separate line.

Note 30 Pensions - We identified the following errors as a result of our procedures:

- Pension liability:
 - Missing row that should state “Interest on the effect of the asset ceiling” with figure of £-2.38m.
 - The “Effect of the asset ceiling” is incorrectly recorded as £-59.96m instead of £-58.37m.
- Asset: “Return on planned assets (excluding amounts in net interest” is incorrectly recorded as £-6.13m instead of £-5.35m.
- CIES:
 - “Changes in the effect of limiting a net defined benefit asset to the asset ceiling” is incorrectly recorded as £-57.58m instead of £-58.37m.
 - “Return on asset excluding amounts included in net interest” is incorrectly recorded as £-6.13m instead of £-5.35m.
 - “Total re-measurements recognised in other comprehensive income” is incorrectly recorded as £42.26m instead of £-42.26m.
- LGPS Assets table – contained a number of errors due to not agreeing to the IAS19 report.

We also identified a number of other disclosure misstatements that have been corrected by management.

Audit Differences (cont'd)

Summary of unadjusted differences

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

Uncorrected misstatements 2024/25 (£'000)	Effect on the current period		Net assets (Decrease)/Increase			
	Equity Debit/(Credit)	Income statement Debit/(Credit)	Assets current Debit/ (Credit)	Assets non- current Debit/ (Credit)	Liabilities current Debit/ (Credit)	Liabilities non- current Debit/ (Credit)
Errors						
Known differences:						
➤ Accrued Interest incorrectly recognised as capital grants and receipt in advance			-90			90
➤ No evidence for transitional protection payment 2021/22	-90		90			
➤ Incorrect de-recognition of PPE assets*					0	
Judgemental differences:						
➤ The pensions fund auditor identified overstatement of assets due changes in pension asset values.		579				-579
➤ PPE valuation – housing vacant possession**	-95			95		
➤ PPE valuation – small car parks	931			-931		
➤ IP and PPE valuations – movement in indices to balance sheet date of 31/03/2025	-372			372		
Balance sheet totals	374		0	-464		-489
Income effect of uncorrected misstatements		579				

*We identified:

- An asset with a net book value of £0 had been incorrectly de-recognised from PPE when the asset is still in use. The cost and accumulated depreciation of the asset is £0.09m. The extrapolated error across the disposal population is £0.13m.
- 4 assets with net book value of £0 had been de-recognised from PPE in 2024/25, but should have been de-recognised in previous years. The cost and accumulated depreciation of the asset is £0.68m. The extrapolated error across the disposal population is £0.91m. Management have not corrected for this due to materiality. We have made one recommendation in respect of de-recognition of PPE assets – see Section 06 of the report for further details.

**We identified that the valuation methodology for housing assets valued in 2023/24 was incorrect as the valuer incorrectly applied the vacant possession criteria in 2023/24 when the valuation guidance had changed in October 2024. Management have calculated the 2023/24 misstatement amounts to £0.85m and have not corrected for this misstatement due to materiality and because a significant number of the housing assets were valued in 2024/25 using the correct valuation basis, resulting in £0.76m misstatement being corrected through the 2024/25 valuation with remaining £0.09m misstatement left uncorrected.



Assessment of Control Environment

Assessment of Control Environment

Financial controls

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

- i. i. Significant deficiencies in internal control; and
- ii. ii. Our views on the effectiveness of internal control relevant to risks that may affect financial reporting and other risks arising from the entity's business model and the effectiveness of related internal controls.[Significant deficiencies in internal control.

These communications need to be pre financial statement approval in order for the Audit Committee to be able to fulfil their duties.

The table below provides an overview of the 'high' 'moderate' and 'low' rated observations we have from the 2024 audit (including IT controls).

	High	Moderate	Low	Total
Open at 31 March 2024	0	6	1	7
Closed during FY25	0	-4	0	-4
New points raised in FY25	0	3	0	3
Total open points as at 31 March 2025	0	5	1	6

Key:



A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6-12 months.



Matters and/or issues are considered to be of major importance to maintenance of internal control, good corporate governance or best practice for processes. Action should be taken within six months.



Matters and/or issues are considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance. Action should be taken either immediately or within three months.

The matters reported on the next slide are limited to those that we identified during the audit and that we concluded are of sufficient importance to merit being reported to you.

Assessment of Control Environment (cont'd)

Summary of control observations and recommendations

Control observation and impact	Grading			Recommendation	Management Response
	H	M	L		
Journals – We identified that the Council does not have approval limits in place for the posting of journal nor segregation of duties between preparer and approver of journals.		M		The Council should implement approval limits in place for the posting of journal with segregation of duties between preparer and approver of journals.	
Disposal – We identified that the Council Incorrectly de-recognised an asset from PPE when the asset was still in use and de-recognised a further four assets from PPE in 2024/25, which should have been de-recognised in previous years.		M		The Council should undertake a regularly review of the asset register to confirm that the Council is accounting for assets which it owns and uses and that where required assets are appropriately de-recognised.	
Valuation - Our testing identified errors in the valuation of car parks, as a result of inaccurate income and inappropriate yield assumptions being applied in the valuation methodology		M		The Council should ensure that the correct income assumption is used and that the valuer is asked to corroborate the yield assumptions used in their valuation.	

Grading	Definition
High	Matters and/or issues considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance. Action should be taken either immediately or within three months.
Moderate	Matters and/or issues considered to be of major importance to maintenance of internal control, good corporate governance or best practice for processes. Action should be taken within six months.
Low	A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6-12 months.

Assessment of Control Environment (cont'd)

Follow up of prior year recommendations	Grading			Update
	H	M	L	
Valuation of PPE and IP- 1. The Council should ensure that consideration is given to all relevant factors that are used for valuation purposes and that accurate and timely information is provided to the Council's valuer.		M		Recommendation implemented
Valuation of PPE and IP – 2.The Council should ensure that it maintains a single lease schedule and that the information contained in the schedule agrees to the underlying lease agreements.		M		Recommendation partially implemented, we note that there are still some immaterial errors contained in the lease schedule in 2024/25.
Valuation of PPE and IP -3.Where the valuation date is before the year end the Council should there is an assessment of whether there has been any significant changes since the date of the valuation and the year end to establish if an amendment or revaluation is required.		M		Recommendation implemented
Valuation of PPE and IP - 4. The Council should ensure there are processes in place to monitor whether all properties are MEES compliant		M		Recommendation implemented
User Access - The Council should ensure that there is a regular review of users with access to the Academy IT system.		M		Recommendation implemented
Use of Suspense Accounts - The Council should regularly review entries in the suspense accounts, to investigate the source and ensure that the suspense account are cleared on a periodic basis.		M		Recommendation partially implement in 2024/25 but will be fully implemented in 2025/26.
Capitalisation of Salaries - The Council should review the process for the capitalisation of salaries to the charges to individual projects reflect the actual time taken.			L	Recommendation outstanding – Meetings with key officers involved in projects will take place in April 2026 to review the capitalised salary allocation for their project.



07 Other Reporting Issues

Other Reporting Issues

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

We must give an opinion on the consistency of the financial and non-financial information in the Horsham District Council's Statement of Accounts 2024/25 with the audited financial statements.

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

Financial information in the Horsham District Council's Statement of Accounts 2024/25 and published with the financial statements was consistent with the audited financial statements.

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

Whole of Government Accounts

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

We have not yet performed the procedures required by the NAO on the Whole of Government Accounts submission. We cannot issue our Audit Certificate until these procedures are complete, and the NAO has confirmed no further procedure are required.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 (the Act) to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Council to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We are also able to issue statutory recommendations under Schedule 7 of Section 27 of the Act. Statutory recommendations under Schedule 7 must be considered and responded to publicly and are shared with the Secretary of State,

We did not identify any issues which required us to issue a report in the public interest/issue statutory recommendations under Schedule 7.

Other Reporting Issues (cont'd)

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures.
- Significant difficulties, if any, encountered during the audit
- Significant matters, if any, arising from the audit that were discussed with management
- Matters regarding management's process for identifying and responding to the risks of fraud in the entity
- Disagreements with management, if any arising during the audit
- Other matters if any, significant to the oversight of the financial reporting process, including the strengths and weaknesses of the finance function and the quality of the financial statement preparation process.
- Written representations that we are seeking
- Expected modifications to the audit report
- Related parties
- Going concern
- External confirmations
- Consideration of laws and regulations, including any significant matters involving actual or suspected non-compliance with laws and regulations which were identified in the course of the audit, in so far as they are considered to be relevant in order to enable the Audit Committee to fulfil its tasks.

We have no other matter to report.



08 Independence

Independence

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

Relationships

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

Services provided by EY

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

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

Independence

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

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

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

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

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

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

	Current Year	Prior Year
	£	£
Scale Fee – Code Work	163,115	148,341
Proposed scale fee variation	TBD Note 2	TBD Note 1
Total audit fee	0	0

All fees exclude VAT

(1) As set out in the joint statement on update to proposals to clear the backlog and embed timely audit issued by DHLUC, PSAA will use its fee variation process to determine the final fee the Council have to pay for the 2023/24 audits. This also includes areas where as reported in our Audit Results Report for the ending 31 March 2024 additional audit procedures were required, the additional fee for these areas amounted to £40,690 and this amount is subject to PSAA approval.

As set in our 2023/24 Audit Results Report a scale fee variation was submitted to PSAA covering the areas where as reported in our Audit Results Report for the ending 31 March 2024 additional audit procedures were required. As at the date of this report that scale fee variation has not yet been determined.

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

- Identified risks and audit procedures to be undertaken in respect of pension asset/liability. Our procedures included the engagement of actuarial specialists;
- Additional work to be undertaken to respond to the identified valuation risk in respect of Property, Plant and Equipment and Investment Property. Our procedures included the engagement of our EYRE valuation specialists;
- Additional work on car park valuations including prior period adjustment and consultation;
- Additional work on housing asset valuations;
- Additional work undertaken to respond to the identified risk in relation to the migration of the cash receipting system from ICON to Smart Pay;
- New accounting standards, the full adoption and additional disclosures in respect of IFRS 16;
- Additional work to address the number of audit differences identified during the audit; and
- Consultations on disclaimed opinion.

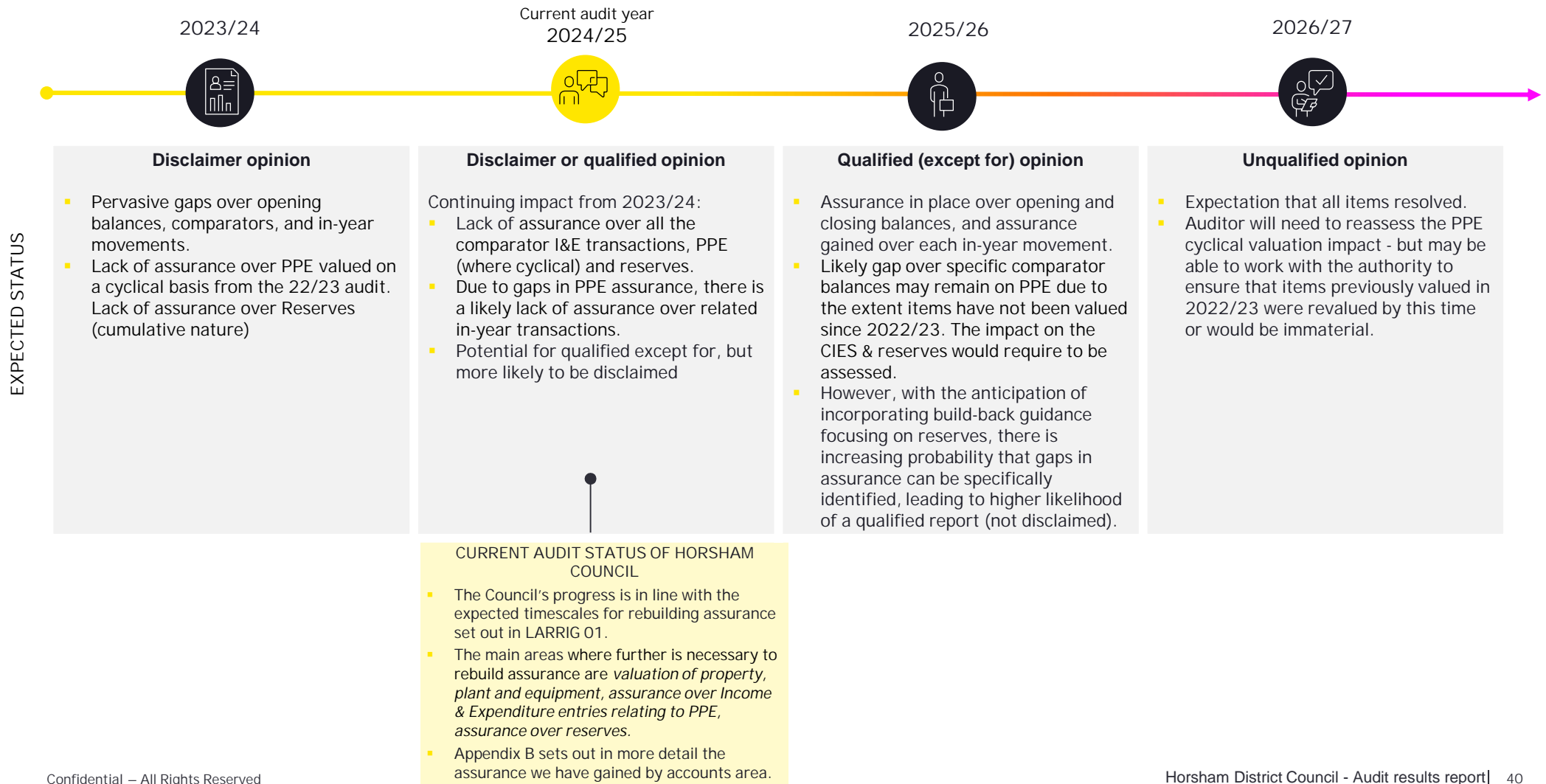


09 Appendices

Appendix A – Progress to full assurance

Progress to full assurance

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



Appendix B – Updated summary of assurances

Summary of Assurances

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

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Property, Plant and Equipment ('PPE') and Investment Property	Partial	Partial	<p>We have completed our planned audit procedures in this area. We have completed testing of the 2023/24 and 2024/25 additions and disposals to the fixed asset register, audited the valuation of a sample of assets revalued in 2023/24 and 2024/25 and performed procedures to obtain assurance over the existence of assets on the fixed asset register and the Council's right to recognize those assets; however, until we are able to rebuild assurance over PPE additions, disposals and revaluations in the disclaimed periods, we are unable to obtain full assurance over the completeness and valuation of PPE at 31 March 2025.</p> <p>We also identified that the valuation methodology for car parks valued in 2023/24 with asset value of £23.2m was potentially incorrect. There were questions regarding valuation methodology and we were unable to resolve this matter, to conclude whether there was misstatement before the backstop date and therefore we were unable to obtain assurance over the valuation of such car parks at 31 March 2024. In 2024/25 audit we identified that the valuation methodology for car parks valued in 2022/23, 2024/25 and 2024/25 was incorrect, which resulted in a material misstatement. Management have calculated the car park valuation adjustment, including prior period adjustment and these have been corrected accordingly. See Section 05 of this report for further details.</p>
Long Term Investments	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance on 31 March 2025.
Short Term Investments	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance on 31 March 2025.
Short Term Debtors (including Bad Debts Provision)	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance on 31 March 2025.
Cash and Cash equivalents	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance on 31 March 2025.
Short term creditors (including Accruals)	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.

Appendix B – Updated summary of assurances

Summary of Assurances (continued)

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Provision for Business Rates Appeals	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Capital Grants and Receipts In Advance	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Local Government Pension Scheme Liability	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Rents deposits and other balances	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
S106 contributions	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Collection Fund	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Leases – Note 24	Partial	Substantial	<p>We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025. However, we note that this is the first year of the Council implementing the IFRS 16 Leases standard tailored for Local Government entities.</p> <p>In the prior year we identified instances where incorrect source data (lease periods, break clauses and rent amounts) were recorded in the operating leases schedule that were used as the basis for the 'future minimum lease payments' table in Leases note 24. We are unable to resolve this matter before the backstop date and therefore we were unable to obtain assurance over the disclosure contained in leases note 24 at 31 March 2024.</p>
Comprehensive Income and Expenditure Statement (CIES)	None	Partial	We completed our planned testing on the Comprehensive Income and Expenditure Statement in 2023/24 and 2024/25 but, as we do not have full assurance over income and expenditure entries relating to PPE, we are unable to obtain assurance that all of the in-year movements recorded in the statement are accurate.
Reserves	None	None	We have completed our work on the movements in reserves in 2023/24 and 2024/25 but, until we have completed our work programme on the rebuilding of assurance following the disclaimed audit opinions, we are unable to obtain assurance over the useable and unusable reserves of the Council reported in the financial statements.

Appendix C – Required communications with those charged with governance

Required communications with those charged with governance

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

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit Planning Report – 30 April 2025
Planning and audit approach	<p>Communication of:</p> <ul style="list-style-type: none"> ▪ The planned scope and timing of the audit ▪ Any limitations on the planned work to be undertaken ▪ The planned use of internal audit ▪ The significant risks identified <p>When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.</p>	Audit Planning Report – 30 April 2025
Significant findings from the audit	<ul style="list-style-type: none"> ▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Significant matters, if any, arising from the audit that were discussed with management ▪ Written representations that we are seeking ▪ Expected modifications to the audit report ▪ Other matters if any, significant to the oversight of the financial reporting process 	Audit Results Report
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▪ Whether the events or conditions constitute a material uncertainty related to going concern ▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▪ The appropriateness of related disclosures in the financial statements 	Audit Results Report
Misstatements	<ul style="list-style-type: none"> ▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▪ The effect of uncorrected misstatements related to prior periods ▪ A request that any uncorrected misstatement be corrected ▪ Material misstatements corrected by management 	Audit Results Report

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

		Our Reporting to you
Required communications	What is reported?	When and where
Fraud	<ul style="list-style-type: none"> ▪ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▪ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> ▪ Management; ▪ Employees who have significant roles in internal control; or ▪ Others where the fraud results in a material misstatement in the financial statements. ▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▪ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ▪ Any other matters related to fraud, relevant to Audit Committee responsibility. 	Audit Results Report
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▪ Non-disclosure by management ▪ Inappropriate authorisation and approval of transactions ▪ Disagreement over disclosures ▪ Non-compliance with laws and regulations ▪ Difficulty in identifying the party that ultimately controls the entity 	Audit Results Report
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence. Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence <p>Communications whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p>	Audit Planning Report - 30 April 2025 and Audit Results Report
External confirmations	<ul style="list-style-type: none"> ▪ Management's refusal for us to request confirmations ▪ Inability to obtain relevant and reliable audit evidence from other procedures. 	Audit Results Report

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

		Our Reporting to you
Required communications	What is reported?	When and where
Consideration of laws and regulations	<ul style="list-style-type: none"> Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	Audit Results Report
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> Significant deficiencies in internal controls identified during the audit. 	Audit Results Report
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> Written representations we are requesting from management and/or those charged with governance 	Audit Results Report
System of quality management	<ul style="list-style-type: none"> How the system of quality management (SQM) supports the consistent performance of a quality audit 	Audit Results Report
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Audit Results Report
Auditors report	<ul style="list-style-type: none"> Key audit matters that we will include in our auditor's report Any circumstances identified that affect the form and content of our auditor's report 	Audit Results Report

Appendix D – Regulatory update

The English Devolution and Community Empowerment Bill – Audit Measures

Background

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

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

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

Part 4 of the Bill - Reforming local audit

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

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

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

EY | Building a better working world

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

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

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

All in to shape the future with confidence.

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

Ernst & Young LLP

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

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

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

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

ey.com/uk