

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH HERTFORDSHIRE DISTRICT COUNCIL**

### **Issue of audit opinion on the financial statements**

In our audit report for the year ended 31 March 2021 issued on 30 June 2022 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the financial position of North Hertfordshire District Council as at 31 March 2021 and of its expenditure and income for the year then ended; and
- had been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

### **Delay in certification of completion of the audit**

In our report dated 30 June 2022, we explained that we could not 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 North Hertfordshire District Council. This confirmation has now been received.

### **Prior year adjustment in the 2021/22 financial statements.**

We are required to consider whether any matters have come to our attention that might have a material effect on our opinion from the date we issued our auditor's report.

In the 2021/22 financial statements, the Authority made two prior period adjustments as disclosed in Note 7 to those financial statements.

1. Capital expenditure incurred in respect of five operational building assets remained on the asset register after respective works had been completed and a revaluation of the completed assets had been carried out. The prior year adjustment reduced property, plant and equipment, the unusable reserves, and consequently the net assets total, by £6.0 million in 2019/20 and £6.7 million in 2020/21.
2. The total disclosed in respect of 'investing activities' in the cash flow statement included amounts relating to investments with a maturity period of less than 90 days. These investments fall within the Authority's definition of cash equivalents and should not be considered as cash flows for the purposes of the cash flow statement. The prior year adjustment reduced 'purchases of short term and long term investments' by £545.5 million, 'proceeds from short term and long term investments' by £542.4million and 'proceeds from the sale of property, plant and equipment, investment property and intangible assets' under operating activities by £3.1 million.

Further details about the prior year adjustments are disclosed in Note 7 of the 2021/22 Statement of Accounts.

No other matters have come to our attention since we issued our auditor's report that would have a material impact on the financial statements on which we gave an unqualified opinion and no matters have come to our attention that would have resulted in a different opinion on the financial statements or additional exception reporting on significant weaknesses in the Authority's value for money arrangements.

We certify that we have completed the audit of the accounts of North Hertfordshire District Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Debbie Hanson  
Ernst & Young LLP

*Debbie Hanson (Key Audit Partner)*  
*Ernst & Young LLP (Local Auditor)*  
*Luton*  
*13 November 2023*