

The Trust Statement – Audit Report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I have audited the financial statements of HM Revenue and Customs Trust Statement for the year ended 31 March 2023 under the Exchequer and Audit Departments Act 1921.

The financial statements comprise HM Revenue and Customs Trust Statement's:

- Statement of Financial Position as at 31 March 2023;
- Statement of Revenue, Other Income and Expenditure and Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of HM Revenue and Customs Trust Statement's affairs as at 31 March 2023 and of the net revenue for the year then ended; and
- have been properly prepared in accordance with the Exchequer and Audit Departments Act 1921 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Entities in the United Kingdom (2022)*. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of HM Revenue and Customs in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

The framework of authorities described in the table below has been considered in the context of my opinion on regularity.

Framework of authorities

Authorising legislation	Exchequer and Audit Departments Act 1921 Commissioners for Revenue and Customs Act 2005
Parliamentary authorities	Exchequer and Audit Departments Act 1921
HM Treasury and related authorities	Managing Public Money

Conclusions relating to going concern

In auditing the financial statements, I have concluded that HM Revenue and Customs' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on HM Revenue and Customs' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Principal Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for HM Revenue & Customs Trust Statement is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Overview of my audit approach

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements for the current period and include the most significant risks of material misstatement (whether or not due to fraud) that I identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have

performed around potential for management override of controls, the migration of VAT traders to the Enterprise Tax Management Platform (ETMP) accounting system as part of making tax digital, the transfer of banking from the Receipts Clearing System (RCS) to the Electronic Banking System (EBS) and payments due to the Consolidated Fund which are areas where my work has not identified any matters to report.

The key audit matters were discussed with the Audit and Risk Committee; its report on matters that it considered to be significant to the financial statements is set out in the Governance Statement.

Key audit matter 1 – IT Systems that impact financial reporting

Description of risk

HMRC's IT environment is complex with a number of new and legacy IT systems supporting a wide range of taxes. Due to the significant reliance on IT systems, effective General IT Controls are critical to allow reliance to be placed on the completeness and accuracy of financial data. IT audit forms a core part of my assurance of the tax administration and financial reporting systems.

How the scope of my audit responded to the risk

My IT specialists carried out work in the following areas:

- Testing of General IT controls including change management, access management, computer operations and systems development
- Examining the end-to-end business processes to identify the key controls whose absence or failure would significantly increase the possibility of a material error. The type of controls vary from manual controls to fully automated controls embedded within the IT applications
- Where key controls are identified, testing the supporting IT General Controls for the application(s) involved (around Access, Change and Operations)
- Testing of IT interfaces for significant taxes such as Self Assessment, Corporation Tax and VAT.

Key observations

I am satisfied that HMRC's overall IT control environment appropriately supports the financial reporting process.

Key audit matter 2 - Presumed Risk of Fraud in Revenue Recognition

Description of risk

Under International Standard on Auditing (UK and Ireland) 240 there is a presumed significant risk of material misstatement due to fraud in revenue recognition. HMRC's Trust Statement reports £814 billion of tax revenue in accordance with the revenue recognition requirements of the Government Financial Reporting Manual (FReM).

An element of the revenue figure relies on judgement and is brought to account through material accounting estimates which could, in theory, be subject to manipulation. The focus of my audit is, therefore, on those areas of revenue that are subject to high degrees of estimation and where the application of HMRC's accounting policy for the recognition of revenue requires judgements to be made. I consider that this risk relates primarily to the Accrued Revenue Receivable (ARR) estimates in relation to taxes and duties such as Self-Assessment income tax and Corporation Tax, where management need to make judgements on the amount of revenue accrued as tax returns reporting taxpayer liabilities or associated tax payments are not filed until after the Trust Statement has been published.

My response to addressing the risk of material misstatement in this area included:

- Reviewing the tax stream methodologies that set out how revenue for each tax stream are accounted for and assured. I considered whether the accounting treatments set out in those methodologies are applied consistently and are aligned to the revenue recognition criteria set out in HM Treasury's Financial Reporting Manual.
- Evaluating the assumptions and underlying data that determine the revenue recognition point
- Considering the judgements around accounting for certain taxes on a cash or partial accruals basis and ensuring that HM Treasury dispensation for accounting on a cash basis is in place where required; and
- Testing the judgements applied when deciding whether postponed tax liabilities properly meet revenue recognition criteria and so should be brought to account.

How the scope of my audit responded to the risk

Key observations

Based on the evidence reviewed and the audit work completed I have not identified any instances of fraud in revenue recognition.

Key audit matter 3 – Corporation Tax and Self-Assessment Accrued Revenue Receivable Estimates

Description of risk

HMRC relies on complex models to calculate the value of the Corporation Tax (CT) and Self Assessment (SA) Accrued Revenue Receivable (ARR) balance in the Trust Statement. The CT ARR estimate reported in the 2022-23 accounts is £6.3 billion. The SA ARR balance reported in the 2022-23 accounts is £25.3 billion.

I consider this gives rise to significant risks for the audit due to the complexity of the models, the extent of estimation uncertainty arising from the need for management to make significant judgements around the balance of revenue accrued and apply assumptions around areas such as late payments, overpayment and economic determinants when producing the estimate.

In planning the audit, I considered that the prevailing economic conditions may increase the level of estimation uncertainty and that HMRC may need to revisit some long-standing assumptions, including: those that rely on historical data such as income growth rates; and those that are affected by the impact of the COVID-support schemes on taxable income for SA and late payments and overpayments assumptions for CT.

My response to addressing the risk of material misstatement in this area included:

- Understanding and evaluating the design and implementation of controls around the preparation of the estimates including the quality assurance processes and the results of any retrospective review of the estimate
- Testing the completeness and accuracy of the input data in the models including assurance from my IT auditors in relation to system generated reports used in the model
- Evaluating the models to confirm that they are operating in accordance with their design
- Assessing the completeness and appropriateness of significant assumptions including assumptions on late payments, and overpayments for CT and self employed income growth and dividend income growth for SA
- Evaluating the sensitivity analysis on key assumptions outlined above.
- Engaging my own experts in modelling to support my work evaluating the methodology, logical integrity and assumptions applied in the estimates performed by management
- Identifying where management have used experts and evaluating the competence, capabilities and experience of those experts. This has included confirming that the scope of their work is appropriate and sufficient for the purposes relied upon by management
- Reviewing management’s assessment of estimation uncertainty
- Reviewing the disclosures to confirm that the recorded amounts reflect the outputs of the model; and that the narrative disclosures are adequate and appropriate.

How the scope of my audit responded to the risk

Key observations

Based upon the evidence reviewed and the audit work completed, I am satisfied that the CT and SAARR balances are reasonably stated and adequately disclosed in the accounts.

Key audit matter 4 – Oil and Gas Decommissioning provision

Description of risk

The Oil and Gas Decommissioning provision reflects HMRC's estimate of the repayments of tax it expects to make to companies in future periods as they decommission oil and gas fields in the North Sea. It was valued at £4.5 billion at 31 March 2023.

The provision is material and inherently uncertain in that it forecasts the future costs and profitability of the oil and gas sector, alongside other key assumptions such as the future oil and gas prices and decommissioning costs, in arriving at an estimate of HMRC's liability. Accordingly, I consider the provision to represent a significant risk in the context of my audit.

Key features that necessarily drive complexity and estimation uncertainty in the model include: the use of micro-simulation modelling techniques; the number of data sources and economic determinants applied; the long-range nature of the key assumptions extending out to 2064-65; the complex coding required in arriving at the model outputs; the current volatility of oil and gas prices; expected company behaviours and the impact of climate change on future production.

My response to addressing the risk of material misstatement in this area included:

- Understanding and evaluating the design and implementation of controls around the preparation of the estimates including the quality assurance processes and the results of any retrospective review of the estimate
- Assessing the approach to measuring the provision against the requirements of IAS 37
- Testing the completeness and accuracy of the input data in the model including field and company ownership and field forecasts
- Evaluating the model to confirm that it is operating in accordance with its design
- Assessing the completeness and appropriateness of significant assumptions including assumptions on decommissioning expenditure and oil and gas prices.
- Evaluating the sensitivity analysis on key assumptions
- Reviewing the model to confirm that it is operating in accordance with its design.
- Re-performing the calculation using an auditor generated model and confirm that the output is materially consistent with the figure disclosed by HMRC
- Identifying where management have used experts and evaluating the competence, capabilities and experience of those experts. This has included confirming that the scope of their work is appropriate and sufficient for the purposes relied upon by management
- Engaging my own experts in Modelling to support my work evaluating the methodology, logical integrity and assumptions applied in the estimates performed by management
- Reviewing management's assessment of estimation uncertainty
- Reviewing the disclosures to confirm that the recorded amounts reflect the outputs of the model; and that the narrative disclosures are adequate and appropriate.

How the scope of my audit responded to the risk

Key observations

Based upon the evidence reviewed and the audit work completed, I am satisfied that the oil and gas decommissioning provision is reasonably stated and adequately disclosed in the accounts.

Key audit matter 5 – VAT and Self-Assessment Repayments

Description of risk

The revenue repayable by HMRC each year is significant at £130.3 billion (£126.6 billion in 2021-22). The two largest components of repayments are VAT £107.2 billion (£107.4 billion in 2021-22) and income tax £15.6 billion (2021-22: £14.1 billion). For both VAT and income tax, HMRC uses TRUCE (the Transaction Risking Upstream in a Connect Environment) to identify and stop repayments that may require investigation.

There is a risk that repayments may be made for the incorrect amount, or where the taxpayer is not properly entitled to it. These repayments would be considered to be inconsistent with the relevant legislation; and so the expenditure (the net of repayments and related revenue) in the Trust Statement would be considered to be 'irregular'. There is also a risk that repayments are made to entities for which financial sanctions are in place, but where no licence has been obtained by HMRC to authorise these payments. These would also be 'irregular'.

My risk assessment identified that the risk of irregular repayments is more likely to arise in VAT and Self Assessment (as repayments in these taxes can be generated without a corresponding overpayment). Accordingly, the focus of our work on repayments arising from those tax streams.

My response to addressing the risk of material misstatement and irregularity in this area included reviewing the:

- End-to-end process for automated risk-assessment of repayment claims (TRUCE), including the design, implementation and operating effectiveness of key controls with the support of our IT audit specialists.
- Underlying testing and authorisation documentation for risk rules and scorecards, as well as review of TRUCE performance.
- Minutes of relevant governance groups to ensure appropriate oversight of risk rules and changes.
- HMRC processes for obtaining licenses which regularise any transactions with individuals and entities on the financial sanctions list. Our procedures relating to sample tests include consideration of potential payments made to parties that have been sanctioned by the UK.
- Risk rules that are built into tax stream systems and assessing management actions to implement previous recommendations relating to repayments; as well as assessing if risk rules are regularly updated to be effective given the current fraud risks relating to repayments.

How the scope of my audit responded to the risk

Testing was also carried out on a sample of cash repayments for VAT and Self Assessment to assess the validity and regularity of these repayments.

Key observations

Based upon the evidence reviewed and the audit work completed, I am satisfied that repayments are reasonably stated, are regular and adequately disclosed in the accounts.

Key audit matter 6 – Impairment of Receivables and ARR

Description of risk

As agreed with HM Treasury, HMRC's accounting policy is to apply the simplified approach for impairments under IFRS 9 available for trade receivables to tax and duty receivables and accrued revenue receivables.

Under IFRS 9, in addition to the information from past events and current conditions, impairment should also be measured using forecasts of future economic conditions available at the reporting date. HMRC has historically calculated the impairment of receivables and accrued revenue receivables balances based on prior year collection statistics and revenue losses. The prevailing economic conditions have had a significant impact on businesses and individuals in 2022-23 which required HMRC to revisit and update its impairment methodology. As well as using prior year data HMRC have also considered the age of debt and the speed of debt clearance. Determining the recoverability of receivables is a key source of estimation uncertainty which needs to be adequately and appropriately measured and disclosed in the accounts.

Tax debt was £43.9 billion at 31 March 2023, £4.7 billion (11.9%) more than the debt reported at 31 March 2022. The tax debt balance is lower than the £68.5 billion reported at the height of the pandemic but remains significantly higher than the pre-pandemic level.

My response to addressing the risk of material misstatement in this area included:

- Understanding and evaluating the design and implementation of controls around the preparation of the impairment estimate including the quality assurance processes
- Testing the completeness and accuracy of the input data in the model including assurance from my IT auditors in relation to system generated reports used in the model
- Assessing the completeness and appropriateness of significant assumptions including assumptions on level of aged debts, speed of debt clearance and impact of economic uncertainty
- Evaluating the sensitivity analysis on key assumptions
- Evaluating the model to confirm that it is operating in accordance with its design.
- Reviewing management's assessment of estimation uncertainty
- Reviewing the disclosures to confirm that the recorded amounts reflect the outputs of the model; and that the narrative disclosures are adequate and appropriate.

How the scope of my audit responded to the risk

Key observations

Based upon the evidence reviewed and the audit work completed, I am satisfied that the impairment of receivables and ARR is reasonably stated and adequately disclosed in the accounts.

Application of materiality

Materiality

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement or irregularity. A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

Based on my professional judgement, I determined overall materiality for HM Revenue and Customs' financial statements as a whole as follows:

Departmental group	
Materiality	£8.1 billion
Basis for determining materiality	1% of revenue of £814 billion (2021-22 £731 billion)
Rationale for the benchmark applied	The main driver of the Trust Statement is revenue, with the underlying purpose for its production to communicate the tax revenues collected by Government. The Trust Statement has limited expenditure. The key Statement of Financial Position balances relate to accrued revenue receivables which are part of the overall revenue. I consider that the revenue figures are of greatest interest to users of the accounts.

Performance Materiality

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 75% of materiality for the 2022-23 audit (2021-22: 70%). In determining performance materiality, I have also considered the uncorrected misstatements identified in the previous period.

Other Materiality Considerations

Apart from matters that are material by value (quantitative materiality), there are certain matters that are material by their very nature and would influence the decisions of users if not corrected. Assessment of such matters needs to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

I applied the same concept of materiality to my audit of regularity. In planning and performing audit work in support of my opinion on regularity and evaluating the impact of any irregular transactions, I considered both quantitative and qualitative aspects that would reasonably influence the decisions of users of the financial statements.

Error Reporting Threshold

I agreed with the Audit and Risk Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £1 million, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also report to the Audit and Risk Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements

Total unadjusted audit differences reported to the Audit and Risk Committee would have decreased revenue by £2.1 billion. The unadjusted audit differences comprise of known differences which would decrease revenue by £132 million and extrapolated differences which would decrease revenue by £2 billion.

Audit scope

The scope of my audit was determined by obtaining an understanding of HM Revenue and Customs' and its environment, including department-wide controls, and assessing the risks of material misstatement.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's report thereon. The Principal Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the 'Performance Overview', 'Performance Analysis' and 'Our Accountability' for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of HM Revenue and Customs and its environment obtained in the course of the audit, I have not identified material misstatements in the 'Performance Overview', 'Performance Analysis' and 'Our Accountability' parts of the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by HM Revenue and Customs or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Principal Accounting Officer's Report, the Principal Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within HM Revenue & Customs from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with HM Treasury Directions made under the Exchequer and Audit Departments Act 1921; and
- assessing HM Revenue and Customs Trust Statement'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 Accounting Officer anticipates that the services provided by HM Revenue and Customs Trust Statement will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the Exchequer and Audit Departments Act 1921.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of HM Revenue and Customs' accounting policies,
- inquired of management, HM Revenue and Customs' head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to HM Revenue and Customs' policies and procedures relating to:
 - o identifying, evaluating and complying with laws and regulations;
 - o detecting and responding to the risks of fraud; and
 - o the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including HM Revenue and Customs' controls relating to compliance with the Exchequer and Audit Departments Act 1921, Commissioners for Revenue and Customs Act 2005, Managing Public Money and the Finance Act 2022.
- Inquired of management, HM Revenue and Customs' head of internal audit and those charged with governance whether:
 - o they were aware of any instances of non-compliance with laws and regulations;
 - o they had knowledge of any actual, suspected or alleged fraud.
- discussed with the engagement team and internal specialists on IT and analytical methodology regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the HM Revenue and Customs for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, accounting for estimates and regularity of repayments. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I also obtained an understanding of HM Revenue and Customs' framework of authority as well as other legal and regulatory frameworks in which HM Revenue and Customs operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of HM Revenue and Customs. The key laws and regulations I considered in this context included the Exchequer and Audit Departments Act 1921, Commissioners for Revenue and Customs Act 2005, Finance Act 2022, Managing Public Money and relevant tax legislation.

In addition, I considered the audit risks arising from potential bias in the accounting estimates.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business;
- I reviewed the processes, verified the data used and the appropriateness of the assumptions and judgements applied for material estimates presented within the accounts including Self Assessment accrued revenue receivable, Corporation Tax accrued revenue receivable and the oil and gas decommissioning provision; and
- I tested tax repayments to ensure that payments are regular and that, where relevant, HM Revenue & Customs has obtained licences from HM Treasury to allow it to collect tax revenue from entities which are sanctioned.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

Other auditor's responsibilities

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Gareth Davies
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

11 July 2023