

Ms Zoë Metcalfe  
Police, Fire and Crime Commissioner for North Yorkshire  
Office of the Police, Fire and Crime Commissioner  
12 Granby Road  
Harrogate  
North Yorkshire  
HG1 4ST

14 July 2022

Dear Ms Metcalfe

**North Yorkshire Police, Fire and Crime Commissioner Fire and Rescue Authority**  
**Follow up Letter to our Audit Completion Report in relation to the 2020/21 Audit**

As required by International Standards on Auditing (UK), I am writing to communicate an update on those matters that were marked as outstanding within our Audit Completion Report dated 4 March 2022.

The following matters have now been resolved.

<b>Audit area previously reported as outstanding</b>	<b>Status</b>	<b>Updated position</b>
Creditors	Complete	We have completed our work in this area and have no matters to report to you.
Firefighters Pension Fund	Complete	We have completed our work in this area and have no matters to report to you.

Final version of the Annual Report and Annual Governance Statement	Complete	We have completed our work on this area and have no further matters we need to report to you.
WGA	Incomplete	We are awaiting group instructions from the National Audit Office before we are able to undertake this work.
Closing Procedures	Complete	We have completed our work on this area and have no further matters we need to report to you.

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The Audit Completion Report included an internal control recommendation arising from our ITGC work. This recommendation was awaiting a management response. A response has now been provided which has been included in Appendix B.

### **Adjusted misstatement in relation to the LGPS IAS 19 Pension Liability**

The assurance letter received from the auditors of North Yorkshire Pension Fund drew our attention to an unadjusted error of £9.2m in the accounts of North Yorkshire Pension Fund. Assets were understated by £9.2m due to a difference between the custodian report and a valuation report. As the Authority's share of assets belonging to the pension fund is approximately 0.7% the pension liability in the Authority's accounts is overstated by £64k. The financial statements have now been adjusted to reflect this amendment.

### **Summary of Misstatements**

For completeness, I attach a final summary of misstatements as Appendix A to this letter. All changes between the Audit Completion Report and the final position are highlighted in red.

If you wish to discuss these or any other points then please do not hesitate to contact me.

Yours faithfully

*Garvin Barker*

Director  
For and on behalf of Mazars LLP

## Appendix A – Summary of misstatements

The issues arising between the issue of the Audit Completion Report dated 4 March 2022 and the issue of this update letter are highlighted in red.

We set out below the misstatements identified for adjustment during the course of the audit, above the level of trivial threshold of £29k.

### Adjusted misstatements 2020/21

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Pension liability Cr: Pension reserve			64	64

The accounts for North Yorkshire Pension Fund include an unadjusted error of £9.2m. Pension assets are understated by £9.2m due to a difference between the custodian report and a valuation report. As the Authority's share of the pension fund's assets is approximately 0.7% the Authority's pension liability is overstated by £64k.

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### Disclosure amendments

We also identified a small number of other minor disclosure inconsistencies and errors, all of which have been amended by management in the final version of the financial statements.

## Appendix B – Internal control recommendations

### Description of deficiency

Our IT audit work identified that of the 25 IT incidents tested 3 had not been closed in a timely manner.

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### Potential effects

Incidents and problems are not detected, analysed or solved on a timely basis and therefore affect the confidentiality, integrity and availability of information

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### Recommendation

In order to ensure data integrity and availability as well as the normal functioning of programs and infrastructure, we recommend ensuring all incidents are timely analysed and solved.

For monitoring purposes, we recommend implementing a regular review for all opened incidents in order to ensure appropriate follow-up actions are taken in a timely manner.

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### Management response

During the time frame of the Audit we had recently implemented a new Service Management System. Appropriate training has now been rolled out to relevant team members to avoid delays and the Finance Systems team regularly monitor the Incidents and Requests in their weekly catchup. The monitoring of the incidents is also extended to the NYCC and NYFRA bi-monthly catchups and we have recently created an Incident and Request SLA report that allows us to monitor new Incidents and Requests and ensure that they are actioned within their given SLA which acts as a further review and checkpoint.

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