



# Audit Completion Report

**North Yorkshire Police, Fire and Crime Commissioner Fire and Rescue Authority – Period ended 6 May 2024**

February 2025

Jo Coles  
Deputy Mayor for Policing, Fire and Crime  
Police Station  
Beckwith Head Rd  
Harrogate  
HG3 1FR

Forvis Mazars  
Bank Chambers  
26 Mosley Street  
Newcastle upon Tyne  
NE1 1DF

13/02/2025

Dear Ms Coles,

### Audit Completion Report – Period ended 6 May 2024


We are pleased to present our Audit Completion Report for the year ended 31 March 2024. The purpose of this document is to summarise our audit conclusions. The scope of our work, including identified significant audit risks, and other key judgement areas, was outlined in our Audit Strategy Memorandum, which we presented to you in September 2024.

We have reviewed the significant audit risks and other key judgement areas set out in our Audit Strategy Memorandum and, during the course of the audit, and we subsequently identified the following significant risks/ areas of management judgement:

- Accounting for extended year end

We would like to express our thanks for the assistance of your team during our audit. If you would like to discuss any matters in more detail then please do not hesitate to contact me on 0191 383 6331.

Yours faithfully

---

James Collins (Feb 13, 2025 17:12 GMT)

James Collins

Forvis Mazars LLP

# Contents

- 01 Executive summary
- 02 Status of the audit
- 03 Audit approach
- 04 Significant findings
- 05 Internal control conclusions
- 06 Summary of misstatements
- 07 Value for Money
  
- A Appendix A: Draft management representation letter
- B Appendix B: Draft audit report
- C Appendix C: Confirmation of our independence
- D Appendix D: Other communications

Our reports are prepared in the context of the 'Statement of Responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited.  
Reports and letters prepared by appointed auditors and addressed to the Authority are prepared for the sole use of the Authority and we take no responsibility to any member or officer in their individual capacity or to any third party.

# 01

Executive Summary

# Executive summary

## Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2023/24 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum and Audit Progress Report, which include:

- Management override of controls
- Net defined benefit liability/asset valuation
- Valuation of property, plant and equipment; and
- Accounting for extended year end.

## Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; unadjusted misstatements total of £420k. Section 7 outlines our work on the Authority's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

## Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the period ended 6 May 2024.

At the time of preparing this report, there are no significant matters outstanding.

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:



### Audit opinion

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.



### Value for Money

We anticipate having no significant weaknesses in arrangements to report in relation to the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources. Further detail on our Value for Money work is provided in section 7 of this report.



### Whole of Government Accounts (WGA)

We have not yet received group instructions from the National Audit Office in respect of our work on the Authority's WGA submission. We are unable to commence our work in this area until such instructions have been received and we will not be able to issue our audit certificate until this work is complete.



### Wider Powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Authority and to consider any objection made to the accounts.

## Status of the audit

# Status of our audit

Our audit work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the satisfactory resolution of the outstanding matters set out below.

## Completion and closing

We need to undertake a number of closure procedures, including post balance sheet events up to the date of signing the audit opinion.

## WGA

We are yet to commence our work on WGA. We have not yet received group instructions from the National Audit Office in respect of our work on the Authority's WGA submission. We are unable to commence our work in this area until such instructions have been received and we will not be able to issue our audit certificate until this work is complete

## Review of the final version of the accounts and the Annual Governance Statement

We need to undertake our review of the final financial statements and AGS.

## Letter of representation

Receipt, and review, of signed letter of management representation.

### Status

- Likely to result in a material adjustment or a significant change to disclosures in the financial statements.
- Potential to result in a material adjustment or a significant change to disclosures in the financial statements.
- Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.
- Work on value for money arrangements

## Audit Approach



# Audit Approach

## Changes to our audit approach

There have been no changes to the audit approach we communicated in our Audit Strategy Memorandum, issued in September 2024.

## Materiality

Our provisional materiality at the planning stage of the audit was set at £1.179m using a benchmark of 2% of gross revenue expenditure. There have been no changes to the materiality levels we communicated in the Audit Strategy Memorandum.

## Use of experts

We have not made any changes to our planned approach in relation to the use of experts.

Item of account	Management’s expert	Our expert
Defined benefit liability	Government Actuary’s department (GAD) for Firefighters; and  Aon Hewitt Limited for all other employees	NAO’s Consulting Actuary (PWC)
Property, plant and equipment valuation	NPS Property Consultants	We will carry out appropriate testing and consider available third party information. See section on significant risks.

## Service Organisations

We have not changed the planned approach in relation to service organisations.

Items of account	Service organisation	Audit approach
Provision and maintenance of the general ledger system (including Accounts Payable and Accounts Receivable) which affects all items of account.  Treasury Management services	North Yorkshire County Council	Mazars is also the auditor of the Council and have direct access to accounting records and staff. Accordingly, we can substantively test the financial statements in the same way as if the Authority did not rely on a service organisation.  We will review and document the controls in place for production of the financial statements and also within the material financial information systems.
Payment of pension lump sums and monthly pension payroll to retirees under the fire fighters pension scheme	West Yorkshire Pension Fund	There is sufficient information to allow testing of fire fighters pensions data to be undertaken at the Authority.

Significant findings

# Significant findings

## Significant findings, including key areas of management judgement

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 15 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any further significant matters discussed with management;
- any significant difficulties we experienced during the audit.

## Significant Risks

### Management override of controls

### Description of the risk

In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.

---

### How we addressed this risk

We addressed this risk through performing audit work over:

- accounting estimates impacting amounts included in the financial statements;
- consideration of identified significant transactions outside the normal course of business; and
- journal entries recorded in the general ledger and other adjustments made in preparation of the financial statements

---

### Audit conclusion

The work is complete, and we have no matters to bring to your attention in this respect.

---

# Significant findings

Net defined benefit liability/asset valuation scheme (Firefighter pension scheme and local government pension scheme)

Description of the risk

The financial statements contain material pension entries in respect of retirement benefits.

The calculation of these pension figures, made up of the gross pension assets and gross pension liabilities can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement.

---

How we addressed this risk

To address this risk we have:

- We evaluated the management controls in place to assess the reasonableness of the figures provided by the actuary.
- We considered the reasonableness of the actuaries reports with reference to our experts report on all actuaries nationally.
- We reviewed the appropriateness id the key assumptions included within the valuations, we compared these assumptions to expected ranges and we reviewed the methodology applied in the valuation.
- We considered the adequacy of the disclosures in the financial statements.
- We sought assurance from the auditor of North Yorkshire Pension Fund in relation to the LGPS.
- We have also reviewed the accounting treatment of the net pension asset in the LGPS against technical guidance.

---

Audit conclusion

The work is complete, and we have one matter to bring to your attention. The Pension Fund auditor identified a net understatement of £12.8m in the pension fund's assets. We have calculated the Authority's share of this error as 0.28% and therefore the potential impact would be that the Authority's pension assets are understated by £0.088m. Further detail of this misstatement is set out in Section 6.

# Significant findings

**Valuation of property, plant and equipment**

**Description of the risk**

The financial statements contain material entries on the Balance Sheet as well as material disclosure notes in relation to the Authority's holding of land and buildings.

Although the Authority uses a valuation expert to provide information on valuations, there remains a high degree of estimation uncertainty associated with the revaluation of land and buildings due to the significant judgements and number of variables involved in providing revaluations. We have therefore identified the valuation of land and buildings to be an area of significant risk.

---

**How we addressed this risk**

- We addressed this risk by:
- Considering the arrangements for ensuring land and building values are reasonable and considered corroborative evidence to assess the reasonableness of the valuations provided by the valuer.
  - We assessed the competence, skills and experience by the valuer.
  - For assets revalued in year we reviewed the valuation methodology, including testing the underlying data and assumptions. We also compared the valuation output to market intelligence to gain assurance that the valuations were in line with market expectations.
  - We reviewed the approach taken by the Authority to address the risk that assets are not revalued in year and are materially misstated.
  - We considered market indices between the revaluation date and the year end to determine whether these indicated that values have moved materially.

---

**Audit conclusion**

The work is complete, and we have no matters to bring to your attention in this respect.

# Significant findings

## Accounting for extended year end

### Description of the risk

Management have made estimates and judgements in calculating balances and transactions up to 6 May 2024 year end. Due to the greater level of estimation and judgement applied to the extended trial balance we have increased the level of risk attached to this area of work as significant risk.

---

### How we addressed this risk

We addressed this risk by:

- Conducting a detailed review of the Authority’s extended trial balance. This includes challenging estimation and judgements applied by management.

---

### Audit conclusion

There were three unadjusted misstatements raised in relation to the estimates and judgements applied for the extended period, see Section 6 for further detail.

# Significant findings

## Qualitative aspects of the Authority's accounting practices

We have reviewed the Authority's accounting policies and disclosures and concluded they comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 appropriately tailored to the Authority's circumstances.

Draft accounts were received from the Authority in June 2024 and were of a good quality.

## Significant matters discussed with management

During our audit we communicated the following significant matters to management:

- We discussed with management the impact of the extended year end and the assumptions applied, following this in year discussion we raised an additional significant risk in relation to the extended trial balance.
- We also discussed the potential impact of the June 2023 High Court ruling in the case of Virgin Media Limited v NTL Pension Trustees, which stated that certain pension scheme rule amendments were invalid without the correct actuarial confirmation. A narrative disclosure has been added to Note 28 to outline the uncertainty of the impact on the 2023/24 accounts.
- We discussed with management the prior year restated figures included in the financial statements and confirmed that they are not As these adjustments are not material they are required per the Authority's accounting policy or required by the Code. However it is management's view that the amendments enhance the accuracy of the prior period figures. A narrative disclosure has been added in to outline the adjustments.

## Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management.

## Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2023/24 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised.

## Internal control conclusions



# Internal control conclusions

## Overview of engagement

As part of our audit, we obtained an understanding of Authority's internal control environment and control activities relevant to the preparation of the financial statements, which was sufficient to plan our audit and determine the nature, timing, and extent of our audit procedures. Although our audit was not designed to express an opinion on the effectiveness of Authority's internal controls, we are required to communicate to the Police, Fire and Crime Commissioner (succeeded by the Deputy Mayor of Policing, Fire, and Crime from 7 May 2024) any significant deficiencies in internal controls that we identified in during our audit.

## Deficiencies in internal control

A deficiency in internal control exists if:

- a control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/or correct potential misstatements in the financial statements; or
- a necessary control to prevent, detect, and/or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered Authority's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in this section of our report are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported.

If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported.

Our comments in this section should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

We have not identified any deficiencies in Authority's internal controls as at the date of this report.

## Significant deficiencies in internal control

A significant deficiency in internal control is one which, in our professional judgement, has the potential for financial loss, damage to reputation, or a loss of information which may have implications on the achievement of business strategic objectives. Our view is that observations categorised as a significant deficiency is of sufficient importance to merit the attention of the Deputy Mayor of Policing, Fire and Crime.

We have not identified any significant deficiencies in the Authority's internal controls as at the date of this report.

## Other observations

We also record our observations on the Authority's internal controls where, in our professional judgement, there is a need to strengthen internal control or enhance business efficiency that do not constitute significant deficiencies in internal control but which we view as being important for consideration by management.

We do not have any other internal control observations to bring to your attention as at the date of this report.

Whether internal control observations merit attention by the PFCC and management is a matter of professional judgment, taking into account the risk of misstatement that may arise in the financial statements as a result of those observations.

# Internal control conclusions

## Follow up on previous internal control points

There were no internal control recommendations to follow up on from the prior year.

## Summary of misstatements

# Summary of misstatements

We set out below and on the following pages a summary of the misstatements we identified during our audit, above the trivial threshold for adjustment of £35k.

The first table in this section sets out the misstatements we identified which management has assessed as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. The second table outlines the misstatements we identified that have been adjusted by management.

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Audit Summary Memorandum, issued on 4<sup>th</sup> September 2024. Any subsequent changes to those figures are set out in the section 3 of this report.

## Unadjusted misstatements

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. We only report to you unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet		MIRS	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: Short Term Debtors (Prepayments)  Cr: Short Term Creditors  As part of our short-term debtors testing, we identified several creditors which were incorrectly recognised as prepayments, this was netted off against a larger overstatement of a VAT debtor, resulting in an extrapolated net understatement of prepayments totalling £84k.			84	84		

# Summary of misstatements

## Unadjusted misstatements

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. We only report to you unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet		MIRS	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
<p>Dr: PPE (Additions)</p> <p>Cr: I&amp;E</p> <p>The misstatement relates to additions between 31 March and 6 May 2024 which were omitted from the PPE note in the financial statements.</p>		76	76			
<p>Dr: Cost of services</p> <p>Cr: PPE (Depreciation)</p> <p>The misstatement relates to the depreciation which occurred between 31 March and 6 May 2024 which was omitted from the PPE note in the financial statements.</p>	84			84		

# Summary of misstatements

## Unadjusted misstatements

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. We only report to you unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

Details of adjustment <sup>84</sup>	Comprehensive Income and Expenditure Statement		Balance Sheet		MIRS	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr: Net Pension Asset			88			
Cr: Pension Reserve				88		
Dr: Movement in Reserves					88	
Cr: Remeasurement of the net defined benefit liability / asset		88				
The Pension Fund Auditor identified that the Pension Fund assets are understated by £12.8m. We have calculated the Authority's share of this error as 0.28% and therefore the potential impact would be that the Authority's pension assets are understated by £88k. The pension asset for the Authority is however limited by the asset ceiling calculation.						
Aggregate effect of unadjusted misstatements	84	164	248	256	88	0

We will obtain written representations confirming that, after considering the unadjusted misstatements, both individually and in aggregate, in the context of the financial statements taken as a whole, no adjustments are required.

# Summary of misstatements

## Adjusted misstatements

The misstatements in the table below have been adjusted by management. We report all individual misstatements above our reporting threshold that we identify during our audit and which management had adjusted and any other misstatements we believe the Independent Audit Committee should be made aware of.

Details of adjustment	Comprehensive Income and Expenditure Statement		Balance Sheet		MIRS	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
<p>Dr: Short Term Debtors (Prepayments)</p> <p>Cr: PPE (Assets Under Construction)</p> <p>The adjustment relates to the value incorrectly classified as Assets Under Construction (AUC) as opposed to prepayments. North Yorkshire Fire Authority did not hold the risks and rewards of ownership, therefore the assets should not be capitalised and included as AUC in year.</p>			2,163	2,163		
<p>Dr: LGPS Pension Asset</p> <p>Cr: FFPS Pension Liability</p> <p>Adjustment to reflect the Local Government Pension Scheme (LGPS) and Fire Fighter Pension Schemes (FFPS) are separate funds so net asset and net liability position needed to be disaggregated on the face of the Balance sheet.</p>			1,784	1,784		
<b>Aggregate effect of adjusted misstatements</b>	<b>0</b>	<b>0</b>	<b>4,050</b>	<b>4,050</b>	<b>0</b>	<b>0</b>

# Summary of misstatements

## Disclosure misstatements

We identified the following disclosure misstatements during our audit that have been corrected by management:

- Note 11 PFI total payments figure has been amended from £2,079k to £1,971k in line with the supporting evidence.
- Note 12 Finance Leases has been amended from £80k to £27k to reflect the correct figure per the fixed asset register.
- Note 18 Termination Benefits has been updated to reflect one exit package in the year and the corresponding banding.
- Note 23 Audit Fees has been amended from £9.7k to £8.9k to reflect the correct audit fees, resulting in an amended overall total of £102k.
- Note 24 per the draft statement of accounts showed the S31 grant as a single total of £2,631k, however this pertained to two different grants (one for S31 NDR grant and one for a funding guarantee grant), therefore this figure has been split out in line with the confirmations to show a total of £66k for the funding guarantee grant and £2,097k for the S31 NDR grant.
- Note 25 Related Parties has been amended from £377k to £319k for the total owed from the NYPFCC as Non-Financial 6<sup>th</sup> May 2024 in line with the supporting evidence. In addition, the key management disclosure has been amended to state that they do not have any interests.
- Note 28 Defined Benefit Pension Schemes (Impact on Defined Benefit Obligation) has been amended from £0.7m to £0.4m for the rate of inflation increase and rate of increase in pension for the Local Government Pension Scheme in line with the data per the Actuary Report. Additionally, as noted on page 15 of this report, a disclosure regarding the potential impact of the Virgin Media Limited v NTL Pension Trustees case has been included.
- Note 28 has been updated to include a reconciliation from the opening to closing effect of the asset ceiling adjustment in the period.
- Note 29 Short Term Debtors (Amortised Cost) figure has been amended from £2,322k to £1,750k under amortised cost, this reflects the removal of some incorrectly included prepayment costs.
- Note 29 Short Term Creditors (Amortised Cost) figure has been amended from £1,842k to £1,901k in line with the supporting evidence.
- Note 29 PFI Liabilities (Amortised Cost) figure has been amended from £1,542 to £996k in line with the supporting evidence.
- Note 29 PWLB loans premium figure has been amended from £5,094k to £5,930k in line with the supporting evidence.
- Note 30 Nature and Extent of Risks Arising from Financial Instruments (Analysis of loans by maturity) – £1,500k has been moved from the 15-20 years banding to the 10-15 years banding in line with supporting evidence.

In addition to the above, we identified a small number of minor presentational issues during our audit of the financial statements which have all been amended.



# 07

Value for Money

# Value for Money

## Approach to Value for Money

We are required to consider whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

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

At the planning stage of the audit, we undertake work to understand the arrangements that the Authority has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

The table overleaf outlines the risks of significant weaknesses in arrangements that we have identified, the risk-based procedures we have undertaken, and the results of our work.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the Authority arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. We intend to issue the Auditor's Annual Report in February 2025.

## Status of our work

We have completed our work in respect of the Authority's arrangements for the year ended 31 March 2024 and we have not identified any significant weaknesses in arrangements that have required us to make a recommendation. Our draft audit report at Appendix B confirms that we have no matters to report in respect of significant weaknesses. As noted above, our commentary on the Authority's arrangements will be provided in the Auditor's Annual Report in February 2025.

# Value for Money

## Follow up of previously-reported significant weaknesses in arrangements

In September 2023 we reported a significant weakness to the Authority. This was followed up and reported again in 2022/23 due to the timing of the HMICFRS report. As part of our work in 2023/24, we followed up the progress made by the Authority against the recommendation made and determined whether the significant weakness remained during the year.

Significant weakness in arrangements		Relevant reporting criteria	Work Undertaken and Conclusions Reached
1	<p><b>Significant weakness</b></p> <p>2021/22 HMICFRS Inspection Report</p> <p>Improving economy, efficiency and effectiveness</p> <p>The 2021/22 HMICFRS inspection report for the fire and rescue service was published in January 2023.</p> <p>HMICFRS raised a specific cause for concern that the service doesn't have in place adequate workforce planning processes. This means that areas such as safety-critical training, succession planning, absence and work-time management don't support its current and future integrated risk management plan. HMICFRS recommended that by September 2022, the service should have put plans in place that are designed to:</p> <ul style="list-style-type: none"> <li>• review its current workforce, succession and training planning to make sure these are provided efficiently and effectively;</li> <li>• review and develop its current absence management policy and process;</li> <li>• develop a policy and process to manage the working time of its staff;</li> <li>• make sure that data and processes are in place to regularly assess and manage the capacity and capability of all staff groups; and</li> <li>• carry out a skills gap analysis to make sure all staff have the skills and training they need to perform their roles.</li> </ul> <p>In our view, HMICFRS's concerns about workforce planning is evidence of a significant weakness in arrangements in relation to how the body evaluates the services it provides to assess performance and identify areas for improvement under the Economy, Efficiency and Effectiveness criterion in respect of the 2021/22 financial year.</p> <p><b>Recommendation</b></p> <p>We recommend that the Police, Fire and Crime Commissioner for North Yorkshire should address the cause for concern in relation to workforce planning for fire and rescue services and implement the recommendations made in the HMICFRS inspection report.</p>	Improving the 3 E's	<p><b>Progress made against the recommendation:</b></p> <p>The recommendation was raised in September 2023, and the inspection report that this arose from was published in January 2023. In 2021/22 we reported the results of the inspection report and reported on the follow up visit that was published in April 2023. A further progress review was carried out in September 2023 with the outcome being published in October 2023. In the letter the Inspector concludes following the considerable work that has been carried out to support improvement, both causes of concern have now been resolved.</p> <p><b>Conclusions</b></p> <p>The HMICFRS has confirmed the causes for concern have been resolved. Therefore, our judgement, for 2023/24 is the significant weakness no longer exists given management actions taken to address the concerns have satisfied the inspectorate.</p>

# Appendices

A: Draft management representation letter

B: Draft audit report

C: Confirmation of our independence

D: Other communications

# Appendix A: Draft management representation letter

Forvis Mazars  
Bank Chambers  
26 Mosley Street  
Newcastle upon Tyne  
NE1 1DF  
  
[Date]

Dear James Collins,

**North Yorkshire and Crime Commissioner Fire and Rescue Authority - Audit for Period Ended 6 May 2024**

This representation letter is provided in connection with your audit of the financial statements of North Yorkshire Police, Fire and Crime Commissioner Fire and Rescue Authority (the ‘Authority’) for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), and applicable law.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

**My responsibility for the financial statements and accounting information**

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code, as amended by the Code and applicable law.

# Appendix A: Draft management representation letter

**My responsibility to provide and disclose relevant information**

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Authority you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Chief Finance Officer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

**Accounting records**

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Authority and committee meetings, have been made available to you.

**Accounting policies**

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Authority’s financial position, financial performance and cash flows.

**Accounting estimates, including those measured at fair value**

I confirm that the methods, significant assumptions and the data used by the Authority in making the accounting estimates, including those measured at fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

# Appendix A: Draft management representation letter

## Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Authority have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code, as amended by the Code and applicable law.

## Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom. The Authority has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

## Fraud and error

I acknowledge my responsibility as Chief Finance Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Authority involving:
  - management and those charged with governance;
  - employees who have significant roles in internal control; and
  - others where fraud could have a material effect on the financial statements.

# Appendix A: Draft management representation letter

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Authority’s financial statements communicated by employees, former employees, analysts, regulators or others.

**Related party transactions**

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code, as amended by the Code and applicable law.

I have disclosed to you the identity of the Authority’s related parties and all related party relationships and transactions of which I am aware.

**Impairment review**

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment and intangible assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

**Charges on assets**

All the Authority’s assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

**Future commitments**

The Authority has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

**Subsequent events**

I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by the Code and applicable law, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

**Impacts of Russian Forces entering Ukraine**

I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Authority, including the impact of mitigation measures and uncertainties, and that the financial statements fairly reflects that assessment.

**Covid-19**

I confirm that I have carried out an assessment of the potential impact of the Covid-19 Virus pandemic on the business, including the impact of mitigation measures and uncertainties, and that the financial statements fairly reflects that assessment.



# Appendix A: Draft management representation letter

**Brexit**

I confirm that I have carried out an assessment of the impact of the United Kingdom leaving the European Union, including the impact of the Trade and Cooperation Agreement, and that the financial statements fairly reflects that assessment.

**Going concern**

To the best of my knowledge there is nothing to indicate that the Authority will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

**Annual Governance Statement**

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority’s risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

**Narrative Report**

The disclosures within the Narrative Report fairly reflect my understanding of the Authority’s financial and operating performance over the period covered by the financial statements.

**Unadjusted misstatements**

We confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an Appendix.

**Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (Value for Money arrangements)**

I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on value for money arrangements.

Yours faithfully,

Chief Finance Officer

# Appendix B: Draft audit report

## Independent auditor’s report to the North Yorkshire Police, Fire and Crime Commissioner Fire and Rescue Authority

### Report on the audit of the financial statements

#### Opinion on the financial statements

We have audited the financial statements of North Yorkshire Police, Fire and Crime Commissioner Fire and Rescue Authority (“the Authority”) for the period ended 6 May 2024, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Firefighters Pension Fund account and notes to the financial statements, including material accounting policy information. 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 2023/24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 6<sup>th</sup> May 2024 and of its expenditure and income for the period then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities section of our report. We are independent of the Authority 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter – transfer of the North Yorkshire Police, Fire and Crime Commissioner Fire and Rescue Authority’s functions to the York and North Yorkshire Combined Authority

We draw attention to note 1 (a) statement of accounting policies (accounting concepts) and note 2 (i) critical judgements in applying accounting polices of the financial statements, which highlight that as a result of the York and North Yorkshire Combined Authority Order 2023, the North Yorkshire Police, Fire and Crime Commissioner Fire and Rescue Authority’s functions transferred to the York and North Yorkshire Combined Authority from 7 May 2024. These notes further disclose that as services continue to be provided by another public sector entity, the financial statements have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

# Appendix B: Draft audit report

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Financial Officer’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, other than the issue highlighted above in the Emphasis of Matter paragraph, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the Annual Governance Statement and information included in the Statement of Accounts, other than the financial statements and our auditor’s report thereon. The Chief Financial Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of the Chief Financial Officer for the financial statements

As explained more fully in the Statement of the Chief Financial Officer’s Responsibilities, the Chief Financial Officer 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 2023/24, and for being satisfied that they give a true and fair view. The Chief Financial Officer is also responsible for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

# Appendix B: Draft audit report

The Chief Financial Officer is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and prepare the financial statements on a going concern basis on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future. The Chief Financial Officer is responsible for assessing whether or not it is appropriate for the Authority to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

## Auditor’s responsibilities for the audit of the financial statements

Our 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 an auditor’s report that includes our 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Authority, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, and we considered the extent to which non-compliance might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring with management and the Police, Fire and Crime Commissioner, as to whether the Authority is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Authority which were contrary to applicable laws and regulations, including fraud.

We evaluated the Chief Financial Officer’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions

# Appendix B: Draft audit report

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Police, Fire and Crime Commissioner on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing, testing of accounting estimates and testing any unusual transactions.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Police, Fire and Crime Commissioner. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We are also required to conclude on whether the Chief Financial Officer’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor’s report.

## Report on the Authority’s arrangements for securing economy, efficiency, and effectiveness in its use of resources

### Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the period ended 6 May 2024.

We have nothing to report in this respect.

### Responsibilities of the Authority

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.

# Appendix B: Draft audit report

## Auditor’s responsibilities for the review of arrangements for securing economy, efficiency, and effectiveness in the use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 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.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

## Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

## Use of the audit report

This report is made solely to the members of North Yorkshire Police, Fire and Crime Commissioner Fire and Rescue Authority, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in an auditor’s 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 members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

## Certificate

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Authority’s Whole of Government Accounts consolidation pack.

## Appendix C: Confirmation of our independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.

# Appendix D: Other communications

Other communication	Response
Compliance with Laws and Regulations	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
External confirmations	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
Related parties	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ul style="list-style-type: none"><li>a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and</li><li>b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.</li></ul>
Going Concern	<p>We have not identified any evidence to cause us to disagree with the Chief Financial Officer that Authority will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements..</p> <p>We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.</p>



# Appendix D: Other communications

Other communication	Response
Subsequent events	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
Matters related to fraud	<p>We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, and where appropriate the Deputy Mayor for Policing, Fire and Crime Commissioner, confirming that</p> <ul style="list-style-type: none"> <li>a) they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud;</li> <li>b) they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud;</li> <li>c) they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving:               <ul style="list-style-type: none"> <li>i. management;</li> <li>ii. employees who have significant roles in internal control; or</li> <li>iii. others where the fraud could have a material effect on the financial statements; and</li> </ul> </li> <li>d) they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.</li> </ul>

# Contact

## Forvis Mazars

**James Collins**  
Director  
Tel: +44 (0) 7881 283527  
James.collins@mazars.co.uk

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference number C001139861. VAT number: GB 839 8356 73

© Forvis Mazars 2024. All rights reserved.

