

Report to the Deputy Mayor for Police, Fire and Crime for North Yorkshire

23rd September 2025

Annual Report of the Independent Audit Committee

Independent Audit Committee

Annual Report

FOREWARD

The Purpose of this report is to provide assurance that the Independent Audit Committee is satisfactorily undertaking its role and responsibilities to enhance public trust and confidence in the governance of North Yorkshire Fire and Rescue Service. It provides an overview of the areas of work considered by the Committee during a shortened 2024/25 financial year and details the areas that the Committee thought worthy of mention. It provides the Deputy Mayor (PFC) and Chief Fire Officer with the assurance that the Committee has fulfilled its terms of reference and demonstrates the added value that has been delivered by the Independent Committee to both the Deputy Mayor (PFC) and Chief Fire Officer and also the wider public throughout the 2024/25 financial year

1. INTRODUCTION

- 1.1 This annual report of the North Yorkshire Fire Independent Audit Committee covers the 2024/25 financial year from the 7th May 2024 to 31st March 2025.
- 1.3 The Committee has a wide range of responsibilities that are captured within the Terms of Reference. The Terms of Reference in place throughout 2024/25 are reproduced at Appendix A for information.
- 1.4 The table below details last year's Committee members. The Committee would like to place on record its thanks to the Officers of the Combined Authority who work on Fire functions and the Fire Service, and both the internal and external auditors who have supported its work throughout the year.

Members of the Independent Audit Committee

Role	Member	Dates in Role
Chair	Joanne Gleeson	Resigned end of June 2024
Vice Chair and then Chair	Roman Pronysyn	Through out 2024/25
Member	Stuart Green	Through out 2024/25
Member	Heather Cook	Through out 2024/25

- 1.5 In addition to the Core members that have been in place during 2024/25 the Committee have had a number of people join the Committee who are in the process of going through the vetting process.

1.6 In addition to the normal quarterly cycle of 4 meetings for the 2024/25 financial year, the Committee also undertook an additional meeting in February 2025 to consider the Statement of Accounts and associated documents relating to the final accounts of the former PFCC FRA. The meetings took place on the following dates:

- 25th June 2024
- 19th September 2024
- 28th November 2024
- 24th February 2025
- 20th March 2025

1.7 Meetings during the year have all been held via Teams with the option to attend the meeting in person. A pre-meeting with both the Internal and External auditors, without management, has also taken place.

2 EXTERNAL AUDIT

2.1 Mazars LLP (which became Forvis Mazars LLP from the 1st June 2024) have been the external auditors for the organisation throughout the 2024/25 financial year.

Audit of the Statements of Accounts for 2023/24

2.2 The York and North Yorkshire Combined Authority Order 2023 modified the Local Audit and Accountability Act 2014 (general requirements for accounts)(103) to extend the financial year to the 6th May 2024, and in effect require the accounts to be produced by the 17th June 2024.

2.3 The Committee considered the Draft Statement of Accounts for 2023/24 at our meeting in June 2024 – the accounts had been produced by your Officers by the statutory deadline, which was 17th June, and were subsequently made available for Audit.

2.4 On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations required the PFCCFRA to publish its Accountability Statements, which include the financial statements and auditor's opinion for the year ended 6th May 2024, by 28 February 2025 ('the backstop date').

2.5 The Committee therefore held a separate and additional meeting on the 24th February 2025 to consider the financial statements and associated documents.

2.6 At this meeting the Committee Considered the Audit Completion Report and the Annual Audit Report from your External Auditors, plus the Annual Governance Statement along side the Final Statements of Accounts.

- 2.7 In terms of the accounts themselves, they resulted in an unqualified audit opinion. In the opinion of Mazars the financial statements:
- Give a true and fair view of the financial position of the Authority as at 6th May 2024 and of its expenditure and income for the year 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.

Audit Completion Report 2023/24

- 2.8 This was presented to the Committee by the external auditors on 24th February 2025. At the time of issuing the report there were a small number of outstanding matters that needed to be addressed however none of those were expected to impact in a material way on the accounts.
- 2.9 In the External auditor's report dated 25 February 2025, they explained that the audit could not be formally concluded until they had received confirmation from the National Audit Office (NAO) that the group audit of the Whole of Government Account has been completed and that no further work is required to be completed by them. This work has now been completed.
- 2.10 All of the matters relating to the extended 2023/24 financial year have now been concluded with the External Auditors issuing their Audit Certificate on the 8th August 2025.

Value for Money Conclusion 2023/24

- 2.11 As part of the Audit Completion Report the External Auditors are required to report on the arrangements for Value for Money. They are required to 'form a conclusion as to whether the Authority have 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 in order to form our conclusion and sets out the criterion and sub-criteria that we are required to consider.'
- 2.12 The External Auditors reported to the Committee that '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.'
- 2.13 The External Auditors went on to provide an overall conclusion in relation to previously identified significant weakness in arrangements by stating '***It is clear to see that positive improvements have been made, and the causes for concern have been resolved in 2023/24 year, therefore, our judgement, for 2023/24 is the significant weakness no longer exists given management actions taken to address the concerns***'

Statement of Accounts for 2024/25

- 2.14 The York and North Yorkshire Combined Authority Order 2023 was passed in December 2023 which among many other legislative changes set out the abolition of the North Yorkshire Police, Fire and Crime Commissioner Fire and Rescue Authority (PFCC FRA), with effect from the 7th May 2024, and the transfer of the FRA's functions, property, rights and liabilities to the York and North Yorkshire Combined Authority. (N&NYCA)
- 2.15 As such there is no separate Statement of Accounts relating to the Fire Authority for 2024/25 and beyond, and therefore this Committee has no role in the review of any Statement of Accounts going forward, which has been reflected in the Terms of Reference going forward.

3 INTERNAL AUDIT

- 3.1 The PFCCFRA procured a new Internal Audit Service provider for the start of the 2022/23 financial year, therefore the 2024/25 financial year was the third year that the Internal Audit Service has been provided by RSM.
- 3.2 The Committee continues to welcome the consistent approach from both the Internal Auditors and the Senior Leadership Team to focus on areas on both concern and risk.
- 3.3 While the Committee recognises that this approach has resulted in negative internal audit opinions for 3 years in row now, it is pleased that progress in beginning to be made.
- 3.4 The Audit Plan for 2024/25 was based on analysing your Fire and Rescue Plan risk profile and assurance framework as well as other factors affecting North Yorkshire Fire and Rescue Service, including the wider sector.
- 3.5 The Committee commented on, considered and endorsed the 2024/25-2026/27 internal audit strategy at its meeting in April 2024 to ensure that the work could start for the new financial year as soon as possible.
- 3.6 During the course of the year, the Committee has closely monitored progress against the objectives and programme of work set out in the Internal Audit Plan for 2024/25.

Internal Audit reports

- 3.7 In continued recognition of some of the concerns management had across a number of areas of the Service, and aligned to appointment of new internal auditors, there has continued to be an increased investment into the work done from an internal audit perspective. This is to bolster the aim of Internal Audit which is to provide independent assurance, or otherwise, on key areas of risk and governance of the organisation.

3.8 The audit work for the year to the 7th May 2024 to 1st March 2025 involved 7 separate pieces of work, which were assessed based on the level of assurance that the Deputy Mayor can take from the controls within the areas under review and how well they are being adhered to/implemented.

3.9 These assurance levels are as follows:

- **Substantial assurance:** Taking account of the issues identified, the Deputy Mayor can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective
- **Reasonable assurance:** Taking account of the issues identified, the Deputy Mayor can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk
- **Partial assurance:** Taking account of the issues identified, the Deputy Mayor can take partial assurance that the controls upon which the organisations relies to manage this risk are suitably designed, consistently applied or effective. Action is needed to strengthen the control framework to manage the identified risk.
- **Minimal assurance:** Taking account of the issues identified, the Deputy Mayor can take minimal assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk

3.10 Of the 6 audits that received assurances during the 2024/25 shortened financial year, the assurance levels were as follows:

Assurance Level	No. of Audits
Substantial	1
Reasonable	3
Partial	2
Minimal	

3.11 These 6 audits generated 30 actions that were agreed by management. This is significant lower that the 49 actions that were generated in the previous financial year. The actions are graded High, Medium or Low depending on the urgency and priority with which they need to be addressed. The 30 actions were split as follows:

Action Level	No. of Recommendations
High	13
Medium	13
Low	4

- 3.12 In addition to the 6 formal reports there was also 1 follow up reviews on progress against the previously agreed Internal Audit management actions, both of which reported **little progress.**
- 3.13 **The Committee feels it is important to raise again its concerns about the lack of progress in addressing the internal audit actions that have been raised and accepted by management.**
- 3.14 **These are of such concern that they were identified as a Significant Governance Issue within your Fire Annual Governance Statement in 2023/24.**
- 3.15 **Had there been a separate Annual Governance Statement for Fire for 2024/25 the Committee would have expected this issue to have remained as a Significant Governance Issue.**
- 3.16 **The Committee expects to see significant improvements in this area during 2025/26.**
- 3.17 The Committee will take a keen interest in overseeing the timely implementation of all recommendations during 2025/26.

The Head of Audit's annual report

- 3.18 The Head of Audit's annual report was received by the Committee in June 2025 relating to the work carried out primarily in the period 7th May 2024 to 31st March 2025.
- 3.19 After 2 years of concluding that:
The organisation does not have an adequate framework of risk management, governance or internal control.
- 3.20 The committee welcomes the improvement shown in 2024/25 with the conclusion being that:
There are weaknesses in the framework of governance, risk and internal control such that it could become inadequate and ineffective.
- 3.21 In giving this opinion context was provided as follows: *'It should be noted that the 2024/25 opinion in this report represents a positive direction of travel, with a third level overall opinion provided in 2024/25 (the previous two years have resulted in overall 4th line year end opinions). Whilst the opinion is still a qualified (negative) opinion, we can see that the organisation is getting a grip of a number of the risk management, governance and control related weaknesses and progress is clearly being made'*

- 3.22 The Committee remains happy that the Fire Service has in place an adequate and effective internal audit service, and has seen an improvement in both the quality and timeliness of the reports now being produced.
- 3.23 The Committee is pleased to see that the concern it raised last year, in terms of the lack of timeliness from management in responding to some of the reports produced by your Internal Auditors, has been addressed in 2024/25, the Committee expects to see this continue.
- 3.24 While the Committee can see the progress made around Internal Audit the Committee did highlight last year that to demonstrate progress during 2024 one of the keys to this would be making much better progress in addressing the actions raised. It was therefore disappointing that further progress was not made in this area otherwise a positive internal audit opinion would have been received for 2024/25.
- 3.25 The Committee is pleased to see that the Risk and Assurance group, chaired by the Deputy Chief Fire Officer is going to continue to specifically focus on internal audit actions and drive through the improvements needed in this area. It also welcomes the clearer reporting of internal audit actions to the Committee by management and expects improved outcomes during 2025/26.
- 3.26 **Inspection and Review**
- 3.27 The Committee reported last year that it 'continues to welcome the enhancement of the governance and scrutiny arrangements associated with HMICFRS activity which has a standalone 'HMICFRS Specific Meeting' that was previously part of the wider Risk and Assurance Group, which is led by the Deputy Chief Fire Officer.'
- 3.28 And that 'The Committee was also pleased to see a similarly robust process in place to oversee the 'Values and Culture' actions and recommendations, and looks forward to the continued progress and implementation of those actions during 2024/25.'
- 3.29 It was therefore pleasing to see the outcome from the HMICFRS report that was published in June 2025 showing that:
North Yorkshire Fire and Rescue Service has made significant progress since its previous inspection, with improvements made in most areas.
- 3.30 The Committee was pleased to see the progress that has been reported to the Committee over the last couple of year recognized and reflected in the HMICFRS inspection that graded North Yorkshire Fire and Rescue Service's performance across 11 areas. **It found the service was 'good' in six areas and 'adequate' in five areas.**
- 3.31 The Committee would like to state its congratulations for the significant improvements that have been made since the last inspection and will continue to provide assurance around the work in this area in line with it terms of reference.

4 Internal Control Environment and Regulatory Framework

- 4.1 The Committee considered the draft 2023/24 Annual Governance Statement at its meeting in June 2024 and the Committee recommended that the final document that was presented alongside the Statement of Accounts in February 2025 was adopted.
- 4.2 The Committee also reviewed progress against the issues raised within the 2023/24 Annual Governance at its meeting in June 2025.
- 4.3 As with the previous year the Committee was concerned to see that not all actions related to the internal audit actions had been fully implemented. As referred to within the Internal Audit section has there been a standalone Annual Governance Statement for Fire for 2024/25, the Committee would have expected that this would have been re-stated as a significant governance issue.
- 4.4 Given that 2023/24 was the final standalone Annual Governance Statement process for the Fire and Rescue Authority, then it is important from this Committee's perspective that any future issues around Governance for Fire are incorporated into the Mayoral Combined Authority Annual Governance Statement to reflect the new Authority structure and Governance arrangements that were implemented from the 7th May 2024.
- 4.5 In addition to the review of the Annual Governance Statement for Fire the Committee would have previously also received and endorsed any proposed changes to the Code of Corporate Governance for Fire.
- 4.6 The Committee has not received any reports in relation to this since June 2023, given that this document is now subsumed into the wider Combined Authority Constitution.
- 4.7 **The Committee therefore recommends that the Deputy Mayor and others assure themselves that the Internal Control Environment and Regulatory Framework for Fire is suitably covered elsewhere within the Governance arrangements given that there is no longer either a standalone Annual Governance Statement for Fire nor a Standalone Code of Corporate Governance.**

5 Corporate Risk Management

- 5.1 The Committee has an important role in ensuring that the Fire Service has effective arrangements for the identification, assessment, mitigation, management and monitoring of risk.
- 5.2 During the year the Committee has considered the strategic risk register and continues to ensure that the work of Internal Audit is appropriately linked to the Risk Register to ensure those areas highlighted as a Risk to the organisation are appropriately reviewed.
- 5.3 The Committee was pleased to see the continued benefits and impact on the 'check and challenge' sessions that were undertaken on Strategic Risk Register and look forward this being repeated going forward.
- 5.4 The Committee is keen to see a revised an update Risk Management Strategy/Policy given that it has been almost 3 years since this was presented to the Committee.
- 5.5 **Complaints and Compliments**
- 5.6 Part of the Terms of Reference of the Committee is that the Committee maintains an overview of Complaints against the Service.
- 5.7 As such **the Committee is disappointed that it has not received a report providing any details of complaints, or compliments during either 2023/24 to 2024/25**, and looks forward to this being rectified.

6 Information Governance

- 6.1 The Committee received reports throughout the year setting out some performance indicators across a number of areas.
- 6.2 Included within the information for the Committee oversight was all of the details and a copy of the Report to the Senior Information Risk Owner on the Work in Progress to Comply with Data Protection Legislation and the Identification of Risks.

7 Freedom of Information

- 7.1 The Committee maintains an overview of FOI requests and is pleased to report that from the information provided during 2024/25 the Service continues to perform really well in this area.
- 7.2 The Committee was pleased to see both the wider reporting in this area beyond FOIs and the continued excellent performance.

8 Health and Safety

- 8.1 The Committee received details on Health and Safety incidents within the Service, with data covering a 5 year period.
- 8.2 As with the report on information management, the reporting in this area is very comprehensive and provides a significant level of information for the Committee to make enquiries of management on.

- 8.3 There were no discernible trends within the information provided that the Committee feel worthy of raising, however we will continue to review this area closely.

AUDIT COMMITTEE - TERMS OF REFERENCE

Composition of the Committee

The Audit Committee comprises at least 5 members who are independent of the PFCC Fire Rescue Authority (OPFCC FRA). The Senior Leadership Team of the Fire Service are required to be represented at each meeting of the Committee.

Quorum of the Committee

No business shall be transacted at the meeting of the Audit Committee unless at least 3 Members of the Committee are present.

Press and Public

The Public shall be admitted to all meetings of the Audit Committee unless excluded by resolution in accordance with the provisions of the Local Government Act 1972 (Schedule 12a), as amended by the Local Government (Access to Information) Act 1985.

A member of the public will not be permitted to speak or ask questions at the meeting except with the consent of the meeting chair.

Exclusion of Public Access

The public must be excluded from meetings whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that confidential information would be disclosed.

Confidential information means information given to the PFCC or Chief Fire Officer (CFO) by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by Court Order.

Items will be considered '**Below the Line**' or 'not for publication' when they contain exempt information as defined by schedule 12 of the Local Government Act 1972.

Purpose

The Audit Committee is responsible for enhancing public trust and confidence in the governance of the Office of the PFCC FRA and North Yorkshire Fire and Rescue Service. It also assists the PFCC in discharging statutory responsibilities in holding the Fire Service to account. This is achieved by;

- Advising the PFCC FRA and Chief Fire Officer of North Yorkshire according to good governance principles
- Providing independent assurance on the adequacy and effectiveness of the PFCC FRA internal control environment and risk management framework.
- Overseeing the effectiveness of the framework in place for ensuring compliance with statutory requirements (and in particular those in respect of health and safety and equalities and diversity.)
- Independently scrutinising financial and non-financial performance to the extent that it affect the PFCC FRA exposure to risks and weakens the internal control environment
- Overseeing governance and monitoring of governance within the organisation.
- Overseeing the financial reporting process

Objectives

The Audit Committee meets at least four times a year and in effectively discharging its function is responsible for:

Internal Control Environment

- Satisfying itself as to the effectiveness of the internal control framework in operation within the PFCC FRA and advising the PFCC and Chief Fire Officer as appropriate.
- Considering the Annual Governance Statement for publication with the annual accounts, together with associated action plans for addressing areas of improvement and advising the PFCC as appropriate.

Corporate Risk Management

- Approving the FPCC FRA corporate risk management strategy and framework; ensuring that an appropriate framework is in place for assessing and managing key risks to the FPCC FRA.
- Considering the financial risks to which the FPCC FRA is exposed and approving measures to reduce or eliminate them or to insure against them.
- Providing assurance to the PFCC and Chief Fire Officer as appropriate on the effectiveness of the risk management framework in operation.
- Provide oversight and scrutiny of the risk registers of the PFCC FRA.

Regulatory Framework

- Maintain an overview of the governance framework in respect of contract procedure rules, financial regulations and codes of conduct and behaviour and to review and approve on an annual basis any changes to the Code of Corporate Governance.
- Maintain an overview of the work of the number and types of complaints.
- To review any issue referred to it by the Statutory Officers of the PFCC and make recommendations as appropriate.
- To monitor the policies of the PFCC FRA on 'Raising Concerns at Work', anti-fraud and corruption strategy and complaints process.

Internal Audit

- Advising the PFCC and Chief Fire Officer on the appropriate arrangements for internal audit, the appointment of the Internal Auditors and approving the Internal Audit Strategy.
- Approving the internal audit annual programme.
- Overseeing and giving assurance to the PFCC and Chief Fire Officer on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk.
- Considering the Head of Internal Audit Annual Report and annual opinion on the internal control environment for the FPCC FRA; ensuring appropriate action is taken to address any areas for improvement.
- Reviewing and monitoring the effectiveness of PFCC FRA on fraud, irregularity and corruption.

External Audit

- Advising the PFCC and Chief Fire Officer on the appointment of external auditors.
- Approving on behalf of the PFCC and Chief Fire Officer the external audit programme and associated fees
- Reviewing the external auditor's Annual Completion Report and any other reports; reporting on these to the PFCC and Chief Fire Officer as appropriate and including progress on the implementation of agreed recommendations.
- Reviewing the External Auditor's Annual Audit Letter and making recommendations as appropriate to the PFCC and Chief Fire Officer.

Financial Reporting

- Reviewing the Annual Statement of Accounts and make recommendations, or bring to the attention of the PFCC or Chief Fire Officer, any concerns or issues.
- To consider whether appropriate accounting policies have been followed and any changes to them.

Inspection and Review

- Considering HMICFRS, external review agencies and any internal inspection reports that provide assurance on the internal control environment and/or may highlight governance issues for the PFCC FRA.

Complaints

- Maintain an overview of Fire Service complaints.

Freedom of Information

- Maintain an overview of FOI requests and Performance.
- Act as the review body for Freedom of Information appeals

Civil Claims

- Maintain an overview of Civil Claims

Information Governance

- Review Corporate Strategy, policies and procedures in relation to Information Governance for PFCC FRA.
- Review reports from the Senior Information Risk Owner (SIRO) relating to the implementation of the corporate strategy, compliance with Data Protection Act and other information Governance related legislation.
- Consider any implications for governance and the annual governance statements of the PFCC FRA from issues in this area.

Health and Safety

- To receive, as a minimum, an annual report on health and safety management within the Service.