Audit Progress Report to Joint Independent Audit Committee

Chief Constable of North Yorkshire

September 2026

Private and confidential

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September 2026

Dear Committee Members,

Audit Progress Report

We are pleased to present our September 2026 audit progress report on the audit of the Chief Constable of North Yorkshire's (CC) financial statements.

Section 1 of this report provides an update on the progress of the CC's audit to date.

Section 2 provides details on the FRC's Annual Review of Audit Quality 2026 that may be of interest to members of the Committee.

Section 3 provides information on relevant national publications issued recently.

If you would like to discuss any matters in more detail, then please do not hesitate to contact me on 07824086593.
Yours faithfully,

Mark Outterside
Forvis Mazars LLP

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Section 1

Audit Progress

1. Audit Progress

2025/26 audit progress

Financial statements audit

Our Audit Strategy Memorandum set out our plan for the audit of the CC. We presented our Audit Strategy Memorandum to the June 2026 Joint Independent Audit Committee meeting. In addition, since the June Committee we have progressed and are in the process of finalising our planning and risk assessment work.

Since the draft financial statements were submitted on the 30th June 2026, we have now commenced the fieldwork stage of the audit. There are no changes to our risk assessment and audit approach following receipt of the draft financial statements and there are no matters to report to Joint Independent Audit Committee at this stage.

As reported in our Audit Strategy Memorandum, the significant risks identified are management override of controls and the IAS 19 net defined benefit pension scheme valuation.

Based on the 2025/26 draft financial statement figures, the materiality level we are applying throughout our audit procedures are:

Financial Statements	2025/26 £'000	2024/25 £'000
Overall materiality	6,010	5,200
Performance materiality	4,800	4,160
Clearly trivial	180	156
Specific materiality: • Senior Officers' Remuneration • Termination Payments	 20% of each individual salary 5	 20% of each individual salary 5

Value for money arrangements

The NAO Code of Audit Practice requires auditors to issue their draft auditor's annual report to Those Charged with Governance by 30 November each year.

As part of our initial planning process, we have requested management complete a self assessment against the criteria set out in the NAO guidance, and we received their response on 1st September 2026. We are currently in the process of reviewing this assessment and completing our value for money work. At this stage we have not identified any risks of significant weaknesses.

We will continue to keep Audit Committee updated as the audit progresses and will report our commentary and findings on the CC's value for money arrangements by 30 November 2026, in line with the national deadline.

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Section 2

FRC Audit Quality feedback

02: Audit Quality

FRC’s Annual Review of Audit Quality 2026

The Financial Reporting Council’s (FRC) *Annual Review of Audit Quality (ARAQ)* 2026 report was published on 22 July 2026, and summarises the findings from its 2025/26 inspection cycle across the 12 higher-impact firms assessed by the FRC. The review included inspections of a sample of Public Interest Entity (PIE) and other audits within the scope of the FRC, together with an assessment of broader audit quality measures, including the firms’ systems of quality management (SoQM). Set out below is a summary of the FRC’s findings in relation to Forvis Mazars LLP (the ‘Firm’) and our response to those findings.

Audit quality inspections

We are encouraged by a second consecutive year of positive file inspection outcomes, with 70% of AQR-inspected audits assessed as good or requiring only limited improvements. As the FRC notes in the ARAQ 2026 report, changes in AQR results, on their own, are not necessarily indicative of an overall change in audit quality at the firm. Whilst the overall outcome is lower than the prior year, we are pleased that no audits were assessed as requiring significant improvements, and both the number and severity of findings reduced, with no themes identified.

We are pleased by the AQR outcomes achieved over the last two years. We also welcome the results of the QAD inspections, with 100% of audits assessed as either good or generally acceptable. Moreover, we are encouraged that 71% of the audits reviewed under our internal quality monitoring (”iQM”) programme were assessed as good or limited improvements required.

> *“The improvements in Forvis Mazars’ FRC audit engagement inspection results over the last two years supports the impact of its remediating activities so far.”* FRC, ARAQ 2026

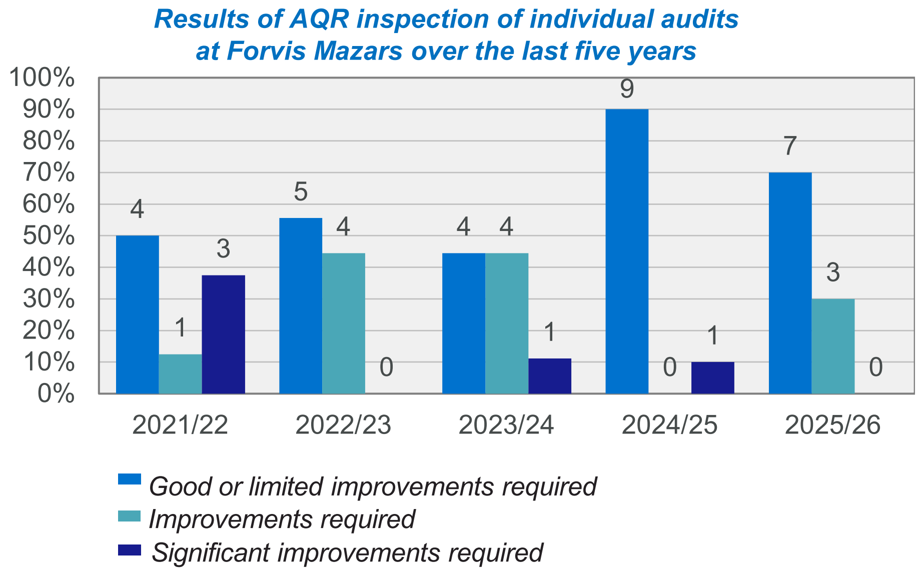
We value the FRC’s observations, both in highlighting areas for improvement and in continuing to share examples of good practice. We are pleased that the FRC identified good practice across a number of inspected audits, including group oversight and long-term contracts. We continue to share these examples across our audit practice to promote consistency and support in sustaining audit quality. Together with the positive inspection outcomes, these findings provide evidence of sustained progress and reflect the impact of our continued focus and investment in audit quality.

Key actions

We have implemented targeted actions to address the findings and underlying root causes, including sharing key insights, reinforcing audit quality expectations and associated behaviours, and enhancing guidance. We continue to invest in our people, equipping them with the tools, training and support needed to sustain and build on the progress achieved to date as we transition from a period of transformation to sustaining the consistent delivery of high-quality audits.

02: Audit Quality

FRC's Annual Review of Audit Quality 2026



"The inspection results for Forvis Mazars also show a trend of improvement in audit quality over a five-year period. Whilst there has been a fall in the year-on-year inspection results year, we do not consider this to be indicative of an overall decline in audit quality."
FRC, ARAQ 2026

Our system of quality management

We welcome the FRC's recognition of improvements to our SoQM processes, as well as identifying areas of good practice. We remain committed to further strengthening our SoQM and reinforcing clear, consistent messaging on audit quality. Whilst we have enhanced the design, implementation and evaluation of our SoQM, we recognise that further development is required, we will continue to address the FRC's observations by strengthening our SoQM. The firm continues to identify and respond to emerging audit quality risks, and we continue to update our response to reflect themes informed by relevant regulatory expectations and insights.

Our ongoing commitment to audit quality

We acknowledge the FRC's recognition of our transition from a period of transformation to sustaining audit quality and the progress made in improving our SoQM. Audit quality remains a core strategic priority for the firm. Whilst an annual quality snapshot is important, our plans are iterative and longer term. We continue to strengthen a consistent, firm-wide culture of quality, and we remain purposely committed to delivering consistently high-quality audits.

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Section 3

National Publications

3. National Publications

This section highlights recent national publications that may be of interest to Members of the Joint Independent Audit Committee. All publications are included are for information only.

CIPFA

	Publication	Link	Key Points
1	CIPFA consultation on the 2027-28 Code of Practice on Local Authority Financial Reporting in the United Kingdom	Consultation on the 202728 Code of Practice on Local Authority Accounting in the UK	CIPFA/LASAAC has issued its annual consultation on the 2027/28 Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The 2027/28 Code will apply to accounting periods starting on or after 1 April 2027.

National Audit Office (NAO)

	Publication	Link	Key Points
2	NAO Insight: Managing digital identity	Managing digital identity - NAO insight	The NAO has published its report 'Managing digital identity' which examines the scope and purpose of digital identity.
3	NAO Insights – Government workforce planning	Government workforce planning - audit framework - NAO insight	The NAO has published insight into government workforce planning which includes: • A report on lessons learned directed at government senior leaders and those involved in making workforce decisions. • A good practice guide that is intended to help government organisations, audit teams and others to test the quality of workforce planning in government.

3. National Publications

His Majesty's Chief Inspector of Constabulary and Fire & Rescue Services (HMICFRS)

	Publication	Link	Key Points
4	State of Policing: The Annual Assessment of Policing in England and Wales 2025–26	State of Policing: The Annual Assessment of Policing in England and Wales 2025–26 - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services	The report contains His Majesty's Chief Inspector of Constabulary's independent assessment of the efficiency and effectiveness of policing in England and Wales. It is based on the inspections carried out between 1 August 2025 and 4 September 2026.
5	An inspection of the police's role in safety advisory groups: planning for major public events	An inspection of the police's role in safety advisory groups: planning for major public events - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services	In October 2025, the Home Secretary commissioned an inspection into the contributions police forces in England and Wales make to safety advisory groups (SAGs) and other bodies responsible for public safety and the licensing of high-profile public events. This reports how well the police assess risks associated with public events and examines their role in working with local authority SAGs. Areas for improvement in public safety that extend beyond the work of the police were also identified.

Contact

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