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Private & confidential

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Our ref RK/AN/aplet25417

Contact Alastair Newall
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25 April 2017

Dear Gary

**North Yorkshire County Council and North Yorkshire Pension Fund
Audit of accounts 2016/17 – Audit progress**

We have now completed our planning and interim audit work in line with the timetable set out in our detailed External Audit Plan, dated February 2017. In that plan we indicated that we were planning to present an Interim Audit Report to the Council's Audit Committee to report on the outcome of the planning and control evaluation phases of our audit. This was to ensure that, in line with good practice, any significant matters are reported to those charged with governance in a timely manner.

Financial statements audit work

As our audit work to date on the financial statements has gone smoothly and we have not identified any significant issues, we have no matters to report to the Audit Committee at this stage. Our preparations for the final audit visit are underway, and we plan to commence our on-site audit work in early July.

The CIPFA Code of Practice on Local Authority Accounting 2016/17 has introduced an updated format to the financial statements this year, as a result of CIPFA's *Telling the Story* consultation, designed to improve the transparency of Council financial statements. We have maintained an ongoing discussion with the Council's finance staff, and have reviewed and provided comments on the Council's re-presented 2015/16 reported results which are required to be reported as comparable prior year figures. There are no significant issues to report to the Audit Committee.

Value for Money conclusion work

During our interim audit, we have completed our detailed planning, risk assessment and related fieldwork for our Value For Money (VFM) conclusion. We have reported the outcome from that work below to enable Council officers and Audit Committee to be aware of the key outcomes.



Our VFM work considers the Council's arrangements to deliver value for money in its use of resources covering three key areas:

- Informed decision making;
- Sustainable resources deployment; and
- Working with partners and third parties.

Our planning work consisted of reviewing Council policies, reports and other documents, discussions with key officers, and reviewing reports and outputs from other inspectorates and review bodies.

In particular we have considered and reviewed the Council's:

- projected financial position at the end of 2016/17, including the expected delivery of savings;
- budget and savings plans for 2017/18;
- risk management arrangements;
- governance arrangements, including reporting to senior management and Members; and
- ongoing working arrangements with other organisations.

Our detailed planning work concluded that there were no significant risks to our VFM conclusion in 2016/17, and we do not intend to carry out any further detailed risk-based VFM work. We will revisit our planning conclusions during our final audit visit to ensure that they remain appropriate and valid, and we will report our findings in our final audit report.

In the absence of the need for a formal Interim Audit Report, this letter can be presented to the June 2017 Audit Committee meeting, to provide them with an update on the progress of, and findings from our audit.

Yours sincerely

Rashpal Khangura
Director, KPMG LLP