

North Yorkshire Council

Audit Committee

Minutes of the meeting held on Monday 24 February 2025 commencing at 1.30pm in the Brierley Room, County Hall, Northallerton.

Committee Members present: Councillor Cliff Lunn in the Chair plus Councillors Alyson Baker, Philip Broadbank, David Chance, Felicity Cunliffe-Lister, Richard Foster (substitute for Councillor Peter Wilkinson), George Jabbour, Mike Jordan, Karin Sedgwick, Neil Swannick and Co-opted Member Mr David Portlock.

Officers present: Karen Iveson, Assistant Director Resources; John Raine, Head of Finance Corporate and Technical; and David Smith, Senior Democratic Services Officer.

Other Attendees: Mark Kirkham and Cath Andrew, Forvis Mazars.

Copies of all documents considered are in the Minute Book

164 Apologies for absence

Apologies were received from Councillor Peter Wilkinson (Councillor Richard Foster substituted), Mr David Marsh and Gary Fielding, Corporate Director of Resources.

165 Minutes of the meeting held on 9 December 2024

Resolved

That the minutes of the meeting held on 9 December 2024, having been printed and circulated, be confirmed and signed by the Chair as a correct record.

166 Declarations of interest

There were none.

167 Public participation

There was none.

168 External Audit Report 2023-24 – NYC and NYPF

Mark Kirkham and Cath Andrew introduced the report, raising the following key points.

- The Audit Strategy Memorandum presented to Members in October 2023 lays out the plan for 2023/24 audit.
- The government have introduced measures intended to resolve the nationwide local government financial reporting backlog which require North Yorkshire Council (NYC) to publish its audited 2023/24 financial statements by 28 February 2025. External audit are required to provide the audit report in sufficient time to enable the Council to meet this backstop.
- At least two of the 2022/23 financial statements of the former County, District and Borough councils in North Yorkshire were disclaimed by their auditors. This lack of assurance has been determined to be material to the NYC 2023/24 financial statements as a whole.

- Due to the above, and the aforementioned governmental measures, external audit have been unable to obtain sufficient evidence for NYC's opening balances and so intend to issue a disclaimed audit opinion on NYC's 2023/24 financial statements.
- Almost all the audit procedures are complete and external audit are aiming to confine the disclaimer to the opening balances. This will provide clarity on why NYC's 2023/24 financial statements have been disclaimed and help readers of the audit report understand the reasoning behind the disclaimed opinion.
- Forvis Mazars regard the lack of evidence for the opening balances at April 2023 as unprecedented and don't expect a reoccurrence of a 'disclaimed opinion' for subsequent years.
- The North Yorkshire Pension Fund will be given an unqualified audit opinion for 2023/24.

During the discussion, the following points were raised.

- Members were disappointed at the disclaimed audit opinion for 2023/24 and felt that it was important for the disclaimer to be confined to the opening balances.
- It was confirmed that the Whitby Harbour court case was a significant factor behind the uncertainties in the opening balances at April 2023.
- Forvis Mazars confirmed that no concerns are to be raised regarding the 2023/24 in-year activities.
- Regarding the three statutory objections highlighted on page 25 of the papers, it was confirmed that that the two challenging the contents of the Annual Governance Statement (AGS) felt that the AGS was incomplete and the one regarding the Scarborough Harbour accounting arrangements enquired about funding being used elsewhere. The draft AGS was amended and a memorandum was issued for the Scarborough Harbour accounts. Whilst the objections have not been closed, an audit opinion for 2023/24 can be delivered.
- Queries were raised regarding NYC's resources. It was highlighted that these were unprecedented times involving an increased workload. Officers reported that NYC does have sufficient resources and should complete all work on the 2024/25 accounts before the February 2026 backstop.
- There was a discussion regarding the write down for Long Term Debt for Alpamare.

Councillor Cunliffe-Lister joined the meeting at 2.05pm.

Resolved

- a) That the report is noted.

169 Statement of Final Accounts 2023-24 – NYC and NYPF

Karen Iveson introduced the report, explaining that the Corporate Governance Working Group considered the Statement of Accounts for North Yorkshire Council (including North Yorkshire Pension Fund) for 2023/24 and recommended that the Audit Committee approve the North Yorkshire Council Statement of Final Accounts 2023/24, including the North Yorkshire Pension Fund and Annual Governance Statement.

Amendments to the recommendations included on the report were explained and a vote was taken.

Resolved

- a) That subject to the inclusion of the responsible officers against the identified actions, Members authorise the Chair and Corporate Director Resources to sign the Letter of

Representation as set out in paragraph 4.2 and Appendix A.1 and Appendix A.2 on behalf of the Audit Committee.

- b) That Members approve the North Yorkshire Council (NYC) Annual Governance Statement 2023/24 (AGS) and delegate authority to the Leader, Chief Executive and Chairman to sign the AGS.
- c) That in relation to NYC's Statement of Final Accounts (SOFA) 2023/24:
 - (i) Members note the changes to the Final SOFA as set out in paragraph 4.4 and Appendix B;
 - (ii) Members approve the Final SOFA for 2023/24 (paragraph 4.5); and
 - (iii) Members authorise the Corporate Director Resources, Chief Executive and Chairman to sign the Statement of Responsibilities for the Statement of Accounts as attached at Appendix C (page 24).

There was unanimous support for the motion.

170 Any other items

David Portlock raised that a CIPFA update for local authority audit committees was upcoming and Members were asked to inform David Smith if they were interested in attending the update.

171 Date of next meeting

17 March 2025 at 1.30pm (informal training to commence at 12.30pm).

The meeting concluded at 2.15 pm.