



Audit Progress Report: North Yorkshire Council

June 2024

1. Status of audits for the year ending 31 March 2023 and earlier
2. Planning for auditing the year ending 31 March 2024

1. Status of audits for the year ending 31 March 2023 and earlier

Mazars LLP was the appointed auditor for Selby District Council, Scarborough Borough Council, Craven District Council and Harrogate District Council

Completion of the outstanding prior year audits is a significant challenge for officers who have subsequently taken on new roles in North Yorkshire Council. We will continue to work with officers and it is important to note that, while we aim to avoid disruption, significant delays in responses can create significant inefficiencies in delivering our audit procedures.

Selby District Council

Our audit work is ongoing. We have several queries with officers and are awaiting responses. There are no matters to report at this stage.

Harrogate District Council

We have several significant outstanding queries on the 2021/22 audit in particular those associated with property valuations and group accounts. These queries have been outstanding for several months and,, given their significance, need resolution before we could commence audit work on the 2022/23 accounts. .

Craven District Council

The 2021/22 and 2022/23 accounts have not been published. Consequently, we have not commenced our audit work on either year.

Scarborough Borough Council

22/23 detailed planning is progressing. We await the declaration from the Court following the Whitby hearing but at this time we have no matters to report to the Committee.

- **Scarborough Harbour** (2021/22) - We accepted an objection in relation to the application of income from the harbour undertaking. We have not yet completed our work.
- **Whitby Harbour** - Our work in relation to each objection has concluded and we issued statements of reasons explaining our views. The Council filed a claim in the Court in response to our statutory recommendation. When the Court issues its declaration, the impact on the accounts for 2015/16 onwards can be assessed.

3. Planning for auditing the year ending 31 March 2024

We issued our draft audit plan for the Council in November 2023 which was on the agenda of the December 2023 Audit Committee meeting. Our draft audit plan for the audit of the Pension Fund was considered during the March 2023 meeting of the Committee.

Council and Pension Fund audits 2023/24

We intended to complete our initial audit work in March 2024 including system walk-throughs. This has not been possible because:

- the complexity and number of systems in use is significant. A number of material former district council systems, notably Northgate, are still operational and require system walk-throughs; and
- key finance staff are engaged in clearing historical accounts and preparing the 2023/24 financial statements.

We have made progress with our understanding of value for money arrangements and at this stage there are no matters we wish to raise with Members.

We have revised the audit timeline and an update is on the next page of this report. We still plan to complete most of work by the end of September 2024 and we plan to work on the accounts and system walk-throughs by reprofiling our resource plans. We recognise the delivery risks involved and that completion of our work depends on the capacity and availability of officers.

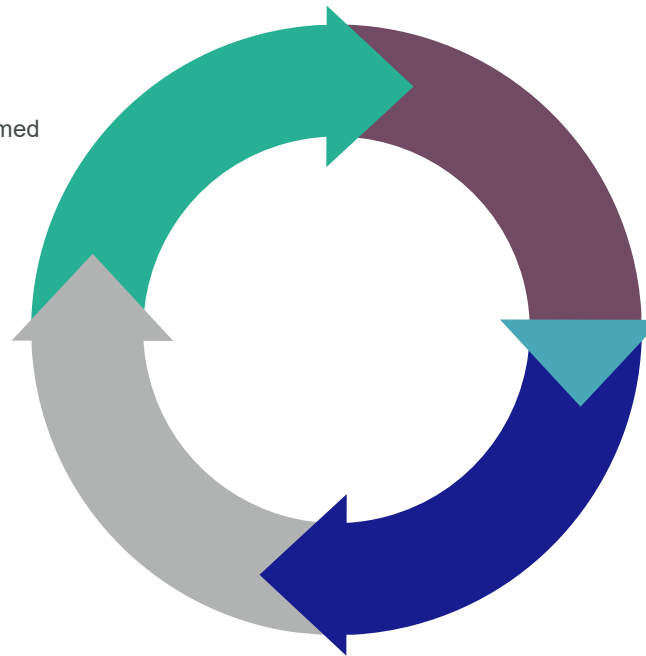
3. Audit scope, approach and timeline

Planning and Risk Assessment (November 2023 to March 2024)

- Planning visit and developing our understanding of the Council
- Initial opinion and value for money risk assessments
- Considering proposed accounting treatments and accounting policies
- Developing the audit strategy and planning the audit work to be performed
- Agreeing timetable and deadlines
- Risk assessment analytical procedures
- Determination of materiality

Completion (Planned for September 2024 updated **November 2024**)

- Final review and disclosure checklist of financial statements
- Final partner and EQR review
- Agreeing content of letter of representation
- Reporting to the Audit Committee
- Reviewing subsequent events
- Signed audit report



Interim (Planned for March 2024 **updated July 2024**)

- Documenting systems and controls
- Performing walkthroughs
- Interim controls testing including tests of IT general controls
- Early substantive testing of transactions
- Reassessment of audit plan and revision if necessary

Fieldwork (Planned for June - August 2024 **updated July – October 2024**)

- Receiving and reviewing draft financial statements
- Delivering our audit strategy starting with significant risks and high risk areas including detailed testing of transactions, account balances and disclosures
- Communicating progress and issues
- Clearance meeting

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