

Audit and Governance Committee
North Yorkshire Council
County Hall
Racecourse Lane
Northallerton
DL7 8AD

Direct line +44 (0)7747 764529
Email mark.kirkham@mazars.co.uk

27th February 2025

Dear Committee Members,

Conclusion of pending matters – Audit Completion Report

As required by International Standards on Auditing (UK), I am writing to communicate the conclusion of our closing procedures. We have summarised the outstanding matters and the conclusions reached for each matter in the table below.

Matter	Conclusion reached
Final versions of the Narrative Report and Annual Governance Statement	We have obtained final versions of the Narrative Report and the Annual Governance Statement, and we have no issues to report.
Audit review and quality control	The review of the audit work is now complete, and we have no issues to report, except for the additional adjustments detailed in Appendix 1.
Letter of representation	We have received a signed copy of the letter of representation.

Appendix 1 to this letter confirms any reporting matters, which have been agreed with the Council, noted since we issued our Audit Completion Report on 24th February 2025. If you would like to discuss any matters in more detail, then please do not hesitate to contact me.

Yours sincerely


Mark Kirkham (Feb 27, 2025 15:49 GMT)

Mark Kirkham
Partner

Appendix 1

Below details the additional misstatements, disclosure errors and control recommendations we have raised since issuing our Audit Completion Report on 24th February 2025.

Adjusted misstatements

Details of adjustment	Comprehensive Income and Expenditure		Balance Sheet	
	Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
Dr: Corporate Miscellaneous Income Cr: Grant Income The Section 31 - NNDR grant was reclassified out of Corporate Miscellaneous income and moved into grant income in the final accounts.	52,684	52,684		
Dr: Interest Receivable and Similar Income CR: Corporate Miscellaneous Income Interest on balances was reclassified from Interest Receivable to Corporate Miscellaneous income in the final accounts.	2,898	2,898		
Aggregate effect of adjusted misstatements	55,582	55,582	0	0

Adjusted disclosure errors

- The Council have updated the figure for the Remeasurement of the Net Defined Pension Liability from £6,420k to £1,267k in line with Note 36 Unusable Reserves.

Internal control observations

Our IT work on North Yorkshire Council’s systems identified a number of control issues. These issues have been raised with management and recommendations have been proposed. See below a summary of the issues raised.

<p>Description of deficiency</p>	<p>Our IT work highlighted several areas which could be improved, these comprise of password configuration, segregation of duties to manage changes to systems, controls over the development of programme changes, privileged access, user access reviews, review of access for leavers and user access modification.</p>
<p>Potential effects</p>	<p>As a result, integrity of data and functionality provided by the application may be compromised and unauthorised changes may be made.</p> <p>The lack of user controls increases the risk of unauthorised access to the application and may adversely impact the integrity and confidentiality of financially significant information.</p>
<p>Recommendation</p>	<p>We recommend these IT arrangements are strengthened.</p>
<p>Management Response</p>	<p>A review of password management practices, the change management policy and practices will be undertaken, and associated actions disseminated across the service.</p> <p>With the new structures in place since the 1 April 2024 we aim to resolve these other risks identified in our systems.</p>