APPENDIX A

Audit Committee Corporate Governance Working Group

Notes of the Teams meeting 6 October 2025 – 12.00pm

Attendees:

Councillor Cliff Lunn (Audit Committee Chair)

Councillor Philip Broadbank

Councillor Neil Swannick

Co-opted member of the Audit Committee – David Portlock

Apologies received from:

Councillor David Chance

Officers in attendance:

Karen Iveson – Assistance Director Resources

John Raine – Head of Corporate and Technical Finance

Paul Nicholson – Senior Accountant Corporate and Technical Finance

Meeting Notes:

The meeting reviewed the Statement of Accounts for North Yorkshire Council (including the North Yorkshire Pension Fund) for 2024/25.

Detailed Review of SOFA – David Portlock updated members on the detailed review of the SOFA with officers on 2 October 2025 which included a review of the following areas:

- Investment Property (reclassification of asset categorisation)
- Heritage Assts (revaluation of assets)
- Expenditure and Funding Analysis
- Traded Services Disclosure Note
- Pension Arrangements (reported figures not expected to change as a result of Pension Fund Audit)
- Audit Fees Note
- Provisions
- Housing Revenue Account (clarification of the Non-Current Asset disclosure note)
- Group Accounts (agreement with Mazars on which entities consolidated in the group)

In addition, Members were updated on changes to the draft SOFA resulting from the audit which included amendments to depreciation and impairment charges, update of the critical judgements in applying accounting policies and the revaluation and reclassification of heritage and investment assets.

Related Parties Disclosures – Members noted the related parties returns and raised concerns regarding the number of declarations outstanding. The working group reinforced the need for all members and relevant officers to complete.

Annual Governance Statement – David Portlock updated members on the review of the AGS and Members were updated on weaknesses identified for 2024/25.

Harbours Accounts – Members were advised that the Draft SOFA reflected changes resulting from the court ruling on the Whitby Harbour accounts. Members were updated on anticipated changes to the Draft SOFA (including the Narrative Report, Harbours Note and Earmarked Reserves Note) following objections received and audit review. Members noted that the rationale for change and changes to the SOFA would need to be documented to inform a decision – it was agreed that Harbours would be addressed in the covering report to the final SOFA from the Corporate Director – Resources.

Pension Fund – Members were updated on progress on the NY Pension Fund audit following comments from Mazars at the Audit Committee on 29 September. Mazars have resource assigned to the audit and work is progressing. A draft audit completion report has now been passed to officers.

Bad Debt Provision and Scheme of Delegation – Members noted the review of the Financial Instruments – Disclosure Note 40 and reference to the Bad Debt Provision as part of the detailed review of the SOFA on 2 October 2025 and requested clarification on the scheme of delegation for the approval of the write off of debt in relation to the Bad Debt Provision which is set out below:

Debt write-off approval		
Value	**Approval required**	**In consultation with**
Up to £1,000	Credit Control Team Leaders/Revenue and Benefits Managers/ Relevant sundry debt service managers as authorised by the Assistant Director Resources (Corporate)	
Between £1,001 and £10,000	Relevant Heads of Finance	
Between £10,001 and £100,000	Relevant Assistant Director Resources	Relevant Corporate Director (over £50,000)
Between £100,001 and £200,000	Relevant Assistant Director Resources	Relevant Executive Member
Over £200,000	Executive	

Timelines and Next Steps

Members were advised that the Mazars audit work is substantially complete, but that some further work around Harbours Accounts and Rebuilding Assurance is still outstanding. Officers advised that reports are being prepared ahead of Audit Committee 20 October:

- Report on the Final SOFA 24/25 (including updated SOFA)
- Update from the Corporate Governance Working Group
- Audit Completion Report – North Yorkshire Council (Mazars)
- Audit Completion Report – North Yorkshire Pension Fund (Mazars)

Officers do not anticipate that the outstanding work on Harbours and Rebuilding Assurance will be resolved in order to facilitate Audit Committee signing off the Final SOFA on 20 October 2025. As a result, the Report on the Final SOFA 24/25 will include a recommendation to delegate authority to the Chairman, Chief Executive and Corporate Director Resources to sign the Statement of Accounts subject to no further material changes arising from the audit.

Recommendation from Corporate Governance Working Group to Audit Committee:

The group concluded that they were satisfied with the statements and subject to the work on Harbours and Building Assurance and no further material changes, the group resolved:

To recommend that Audit Committee approve the North Yorkshire Council Statement of Final Accounts 2024/25, including the North Yorkshire Pension Fund and Annual Governance Statement.