

Annual Audit Letter

North Yorkshire Fire Authority – year ended 31 March 2013

October 2013



Contents

- 01 Key messages
- 02 Financial statements
- 03 Value for money
- 04 Added Value
- 05 Fees and closing remarks

Our reports are prepared in the context of the Audit Commission's 'Statement of responsibilities of auditors and audited bodies'. Reports and letters prepared by appointed auditors and addressed to Members or Officers are prepared for the sole use of the Authority and we take no responsibility to any Member or Officer in their individual capacity or to any third party.

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.

01 Key messages

Our 2012/13 audit of North Yorkshire Fire Authority (the Authority) was made up of two elements:

- our audit of the financial statements; and
- our assessment of arrangements for achieving value for money in your use of resources.

We summarise below the key conclusions for each element.

Audit opinion and financial statements

We issued an audit report including an unqualified opinion on the Authority's financial statements on 30 September 2013.

Value for money

We undertook work in line with Audit Commission guidance, focusing on the two specified criteria. We concluded the Authority had proper arrangements to ensure economy, efficiency and effectiveness in the use of its resources.

We also issued our certificate, closing this year's audit, on 30 September 2013.

Forward look

This letter represents the completion of our first year as your appointed auditor. We work with other public sector organisations and recognise the challenges you face ahead. In particular, the continued financial pressures on fire authorities and the potential changing landscape for the wider fire service.

We focus our audit on the risks that these challenges present to the Authority's financial statements and its ability to maintain proper arrangements for securing value for money. We also share with the Authority relevant insights that we have as a national and international accounting and advisory firm with experience of working with other public sector and commercial service providers.

02 Financial Statements

The financial statements are an important tool for the Authority to communicate how it has used public money. We issued an audit report including an unqualified opinion on the financial statements on 30 September 2013.

We highlighted in our Audit Completion Report the good standard of working papers and quality of the financial statements which assisted in the smooth progress of the audit.

Audit findings

Our detailed findings were reported in our Audit Completion Report to the Authority at its Audit and Performance Review Committee meeting on 30 September 2013.

Our audit identified a small number of amendments, none of which impacted on the General Fund balance or Earmarked Reserves.

We did not identify any significant deficiencies in the accounting and internal controls systems during the course of the audit. We highlighted some minor internal control recommendations which the Authority has addressed.

03 Value for money

To inform our work in this area we drew upon:

- our audit work on the Authority's Annual Governance Statement as part of the audit of the financial statements; and
- consideration of the robustness of the Authority's medium-term financial strategy, including progress on plans to achieve the required savings.

Our work in these areas allowed us to satisfy ourselves, against the backdrop of the challenges of recent years, that the Authority has maintained proper arrangements for securing value for money in its use of resources during 2012/13.

Annual Governance Statement

There were no issues arising from our review of the Authority's Annual Governance Statement.

Arrangements to secure value for money

Financial resilience

We found the Authority has proper arrangements in place to secure financial resilience. The Authority should continue to robustly manage and report on progress in achieving planned savings and its financial position.

Securing economy, efficiency and effectiveness

We found the Authority has proper arrangements in place for challenging how it secures economy, efficiency and effectiveness. A key challenge in the current financial circumstances will be the ability of the Authority to respond to any national changes in the fire service and the continued relative uncertainty of financial settlements.

04 Added value

As a major firm of accountants and advisors with a commitment to improving public services, we are well placed to support the Authority. We do this within the ethical standards applicable to external auditors and with the agreement of the Authority. No additional services were provided in respect of the 2012/13 audit year.

Insights

We provide you with relevant and practical insights from our knowledge of other fire authorities and experience of other public and private sector organisations. During the year, through our regular meetings with senior officers and through our attendance at Audit and Performance Review Committee meetings, we have provided insights on the latest developments, e.g. the national fraud initiative.

In addition, in February 2013 members of your finance team attended our workshop aimed at supporting authorities in preparing their financial statements for 2012/13 and highlighting potential future accounting issues.

05 Fees and closing remarks

Our audit fees for the year are the same as those communicated to you in our Audit Strategy Memorandum dated February 2013, being £42,228 (plus VAT). We did not undertake any non-audit services for the Authority in the 2012/13 audit year.

We have discussed and agreed this letter with senior officers and will provide copies to all Members. Further detailed findings and conclusions in the areas covered by our audit are included in the reports issued during the year.

Report	Date issued
2012/13 Fee Letter	4 December 2012
Audit Strategy Memo	1 March 2013
Audit Completion Report	17 September 2013
Auditor's report on the financial statements and value for money	30 September 2013
Annual Audit Letter	9 October 2013

The Authority has taken a positive and constructive approach to our audit. We wish to thank members and officers for their support and co-operation during the first year of our appointment as the Authority's auditors.

Cameron Waddell

**Director
October 2013**