

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

4 December 2014

PROGRESS ON ISSUES RAISED BY THE COMMITTEE

**Joint Report of the Corporate Director – Strategic Resources
and the Assistant Chief Executive (Legal and Democratic Services)**

1.0 PURPOSE OF THE REPORT

1.1 To advise Members of

- (i) progress on issues which the Committee has raised at previous meetings
- (ii) other matters that have arisen since the last meeting and that relate to the work of the Committee

2.0 BACKGROUND

2.1 This report is submitted to each meeting listing the Committee's previous Resolutions and / or when it requested further information be submitted to future meetings. The table below represents the list of issues which were identified at previous Audit Committee meetings and which have not yet been resolved. The table also indicates where the issues are regarded as completed and will therefore not be carried forward to this agenda item at the next Audit Committee meeting.

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
05/12/13	45 – Information Governance	That an update version of the Information Governance Policy Map be circulated to Committee Members	Work is ongoing to update and refresh the Information Governance Policy Map. A copy of the map will be circulated to Members once it is finalised. This will be provided at the March meeting	x
06/03/14	55 – Internal Audit Work / Internal Control Matters for the Central Services Directorate	That the Chairman and the CD – SR discuss how future reports concerning Directorates' Risk Registers are presented given "% completion" issues	Issue currently being addressed and will be shared in future Directorate updates on agenda. Further consideration been given and some changes to approach to be incorporated into future reports.	✓

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
26/06/14	63 – Internal Audit work / internal control matters for the Children and Young People’s Services Directorate	That the Corporate Director, Strategic Resources alter the alignment of Audit Committee meetings to which the various Directorates report in order that Directorate Risk Registers submitted to those meetings are as up-to-date as possible.	To be addressed for meetings post September. In train	x
26/06/14	64 – Annual report of the Head of Internal Audit	That contract management be the subject of a future Audit Committee Members’ Seminar	To be arranged following initial work carried out on behalf of the Corporate Procurement Group. Substantive agenda item for 4 December meeting	✓
25/09/14	90 – Internal Audit Work and Related Internal Control Matters for the Health and Adult Services Directorate	That an email response be sent to all Committee Members in reply to questions about whether or not, or in what circumstances, the County Council would attempt to take on a Deputy role if the client had already made provision and enacted an Enduring Power of Attorney through the Court of Protection.	Paul Cresswell email of 26 September provided information.	✓
25/09/14	92 – Programme of Work	That the Programme of Work be amended to include the following as either formal or informal sessions:- <ul style="list-style-type: none"> • Contract Management • Discussion with Richard Webb (Corporate Director, HAS) • Procurement Strategy 	Contract Management on this meeting agenda. Richard Webb to attend pre-meeting slot on 5 March 2015. Procurement Strategy to be possible agenda item for 5 March 2015 – to be confirmed.	x

3.0 TREASURY MANAGEMENT

3.1 Current Treasury Management developments include

- i. The Corporate Director, Strategic Resources, approved an increase in the investments limited on 10 November 2014 for:

- Lloyds / Bank of Scotland from £75m to £85m
- Royal Bank of Scotland / Nat West from £75m to £85m
- Barclays from £65m to £75m

These increases were to help manage future cash peaks (including the impact of managing Selby's cash – see below), being prepared for other counterparties being suspended from the lending list and improving average returns by being able to place more funds in the longer periods up to 1 year.

- ii. Arrangements are currently being made to finalise investing Selby District Council's funds as part of the County Council's total investment pool. This is part of the wider 'Better Together' programme with Selby District Council.
- iii. The European Banks Stress Test results announced on 26 October 2014 had no impact on any of the counterparties currently included on the Council Council's approved investment list. 24 of the 130 banks tested were deemed to have failed but the tests were based on data from December 2013 and many of those failing do not have to take any action because their position has improved significantly since then. The Bank of England will publish the results of the UK variant stress test on 16 December 2014 and these are complementary but different to those just announced by the European Central Bank.
- iv. Capita Asset Services undertook a review of their interest rate forecasts on 24 October 2014 following a change in market sentiment and outlook in early October. This resulted in their forecast first increase in bank rate from 0.5% to 0.75% being pushed back from February 2015 to May / June 2015. This forecast then suggests subsequent further increases of 0.25% to reach 2.5% by March 2017.

4.0 RECOMMENDATION

- 4.1 That the Committee considers whether any further follow-up action is required on any of the matters referred to in this report.

GARY FIELDING
Corporate Director – Strategic Resources

BARRY KHAN
Assistant Chief Executive
(Legal and Democratic Services)

County Hall
NORTHALLERTON

4 December 2014

Background Documents:

Report to, and Minutes of, Audit Committee meeting held on 25 September 2014