

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

2 March 2017

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?
23/09/15	146 – Internal Audit Work and related Internal Control Matters for the Health and Adult Services Directorate.	That the Corporate Director – Strategic Resources discuss the timing of the next governance review of the Health and Wellbeing Board and Integrated Commissioning Board with the Assistant Director – Strategic Resources and the Head of Internal Audit.	Awaiting latest set of guidelines for Better Care Fund and on-going discussions with Health. Optimum timing will then be determined. A verbal update was provided to the Committee at the last meeting. This issue is such that it is unlikely that a single action will address. It is suggested that verbal updates continue to be provided and the focus on HAS for the September meeting provides opportunity to explore further.	X

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
23/06/16	186 – Business Continuity Plan - update	That Members' comments be fed into Management Board as part of the validation of the Corporate Business Continuity Plan	To be removed once the full update regarding Business Continuity has been submitted to the Committee on 22 June 2017.	x
	187 - Corporate Procurement Strategy	That the Head of Procurement and Contract Management research whether the County Council now has more suppliers as a consequence of the simplification of the rules.	Kevin Draisey to provide response at the appropriate time. It is suggested that this analysis be carried out after a year of the new arrangements – suggested March 2017.	X
	208 – Programme of Work	That the programme of work be approved, subject to the Corporate Director, Strategic Resources arranging a briefing for Mr David Marsh (External Member) concerning procurement.	Kevin Draisey to arrange direct with David Marsh.	X
01/12/16	214 – Progress on Issues Raised by the Committee	That the Corporate Director – Health and Adult Services and the Chairman of the Scrutiny of Health Committee be invited to attend the Audit Committee's meeting on 22 June 2017 for an hour's discussion in respect of governance relating to health and social care integration	The Corporate Director – Health and Adult Services is unable to attend the meeting on 22 June but will attend on 13 July – Chairman of Scrutiny of Health Committee also to be invited.	x
	216 – Contract Management	That the Head of Procurement and Contract Management provide Mr David Marsh with a copy of a spreadsheet which shows how the figure of £528,765 being the total saving made by creating a specific post relating to Contract Management, has been calculated.	Kevin Draisey to arrange direct with David Marsh	x
	217 – Audit Committee Terms of Reference	That a review be undertaken of the Audit Committee's effectiveness, to include the following:-	Full agenda for March meeting and pre-Committee topic of cyber security and info governance already established.	X

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
		<ul style="list-style-type: none"> • The review be undertaken prior to the local government elections in 2017 • The common issues which arise in responses received as part of the Review be reported to the Audit Committee's meeting to be held on 2 March 2017. • Issues which the review identifies as working well be reported to the Audit Committee's meeting to be held on 22 June 2017 • Members' responses to the Review be collated by a neutral party • That, in addition to Audit Committee Members and External Members, views be sought from Portfolio Holders, Corporate Directors, the Head of Internal Audit, and the External Auditor as part of the Review 	It is suggested that views still be sought from Committee members prior to County Council elections and a plan be produced which can be tested informally with Members prior to elections. The learning can then be used to inform the new Audit Committee post May 2017.	
	220 – Programme of works 2016/17	That a Seminar for Audit Committee Members be held following the 2017 elections, to include the issue of how the Modern Council 2020 Programme is increasing the County Council's productivity.	Seminar to be arranged for the June meeting	x

3.0 TREASURY MANAGEMENT

- 3.1 Capita have updated their forecasts of 17 November to take into account the Bank of England quarterly Inflation Report for November 2016, the decision of the MPC meeting of 3 November, and the US Presidential election of 8 November.
- 3.2 The MPC decision included a forward view that Bank Rate could go either up or down depending on how economic data evolves in the coming months. Capita's central view remains that Bank Rate will remain unchanged at 0.25% until the first increase to 0.50% in

June 2019 (unchanged from previous forecasts). However, there remains a risk of a cut in Bank Rate if economic growth were to take a significant dip downwards, though this is thought unlikely.

- 3.3 Deutsche Bank has been temporarily suspended from the Council's investment list as a result of their Credit Default Swap (CDS) rating moving out of range – this will be monitored.
- 3.4 Investment rates available continue to remain at relatively low levels, as a result of the historically low Bank Rate. Alternative options are continually monitored and reviewed in order to ensure investment returns are maximised, while maintaining the appropriate level of security and liquidity of funds. Treasury Management staff are currently investigating a number investment options to assess whether they meet the Council's investment priorities and criteria list. However, a proposal to use any additional investment options would require detailed assessment and be subject to scrutiny by Audit Committee and approval by Members.
- 3.5 The Treasury Management Strategy was approved by County Council on 15 February and is considered separately on this Committee's agenda.

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

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NORTHALLERTON

2 March 2017

Background Documents: Report to, and Minutes of, Audit Committee meeting held on 1 December 2016