

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

22 June 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.	?

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	Business Continuity is on the agenda for 22 June 2017.	✓
	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.	A verbal update will be provided as part of the Procurement Strategy at this meeting	✓
	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.	This meeting has now taken place.	✓
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	See last item on this section as this is a duplicate	✓
	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.	This meeting has now taken place.	✓
	217 – Audit Committee Terms of Reference	That a review be undertaken of the Audit Committee's effectiveness, to include the following:- <ul style="list-style-type: none"> The review be undertaken prior to the local government elections in 2017 	Full agenda for March meeting and pre-Committee topic of cyber security and info governance already established. It is suggested that views still be sought from	✓

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
		<ul style="list-style-type: none"> • 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 	<p>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.</p> <p>Effectiveness of AC report is considered on this agenda and considers these areas.</p>	
	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.	A Seminar has been arranged for the June meeting	✓
02/03/17	225- Progress on Issues raised by the Committee	That the update regarding business continuity be submitted to the Audit Committee's meeting on 22 June 2017.	This item is on the agenda for the meeting on 22 June.	✓
	225- Progress on Issues raised by the Committee	That the Corporate Director, Health and Adult Services be invited to attend the Audit Committee meeting on 28 September 2017, together with the relevant Executive Member, to discuss issues around the Better Care Fund and Health and Adult Services.	An invitation will be sent for the 28 September 2017.	x

3.0 TREASURY MANAGEMENT

- 3.1 Lloyds Bank are currently included in the County Councils Approved Lending List. Since 2008, the Government has owned shares in the bank. However, Lloyds announced on 16 May 2017 that the Government had cut its stake in the bank to zero. As a result of the return of Lloyds to full private ownership the bank is no longer recognised as a “UK Nationalised Bank / UK Bank with UK central bank involvement” and it is now classified as a “UK Clearing Bank, Other UK Based Bank and Building Societies” within the Approved Lending List.
- 3.2 Capita Asset Services – Treasury Management provided an updated interest rate forecast on 17 May 2017. The update left the forecast for Bank Rate unchanged from the previous forecast (February 2017) with the expectation that interest rates will remain at 0.25% until June 2019.
- 3.3 As reported to the Executive, there were no breaches of the County Councils Prudential Indicators in 2016/17.
- 3.4 The Executive are due to consider opportunities to generate more commercial returns on cash, particularly given the low rates currently earned on cash deposits. It is considered appropriate that this item is brought to the Audit Committee for their consideration given the read-across to the Treasury Management Strategy and the need to ensure appropriate governance arrangements. This matter will be raised verbally at the meeting and an appropriate means of engaging the Audit Committee can be determined.

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

22 June 2017

Background Documents: Report to, and Minutes of, Audit Committee meeting held on 2 March 2017