



**North Yorkshire  
County Council**

## **Agenda**

**Meeting: Audit Committee**

**Venue: Brierley Room, County Hall,  
Northallerton, DL7 8AD**

**Date: Thursday 22 June 2017 at 1.30 pm**

**Note: Members are invited to attend a  
seminar concerning 2020 Modern  
Council at 1.00 pm in the Brierley  
Room.**

Recording is allowed at County Council, committee and sub-committee meetings which are open to the public. Please give due regard to the Council's protocol on audio/visual recording and photography at public meetings, a copy of which is available to download below. Anyone wishing to record is asked to contact, prior to the start of the meeting, the Officer whose details are at the foot of the first page of the Agenda. We ask that any recording is clearly visible to anyone at the meeting and that it is non-disruptive. <http://democracy.northyorks.gov.uk>

### **Business**

- 1. Election of Chairman.**
- 2. Minutes of the meeting held on 2 March 2017.**
- 3. Election of Vice-Chairman.**

**(Pages 5 to 16)**

Enquiries relating to this agenda please contact Ruth Gladstone **Tel: 01609 532555** or e-mail [ruth.gladstone@northyorks.gov.uk](mailto:ruth.gladstone@northyorks.gov.uk)  
[www.northyorks.gov.uk](http://www.northyorks.gov.uk)

**4. Any Declarations of Interest.**

**5. Public Questions or Statements.**

Members of the public may ask questions or make statements at this meeting if they have given notice (including the text of the question/statement) to Ruth Gladstone of Democratic Services (*contact details at the foot of page 1*) by midday on Monday 19 June 2017. Each speaker should limit themselves to 3 minutes on any item. Members of the public who have given notice will be invited to speak:-

- at this point in the meeting if their questions/statements relate to matters which are not otherwise on the Agenda (subject to an overall time limit of 30 minutes);
- when the relevant Agenda item is being considered if they wish to speak on a matter which is on the Agenda for this meeting.

If you are exercising your right to speak at this meeting, but do not wish to be recorded, please inform the Chairman who will instruct those taking a recording to cease while you speak.

- 6. Progress on Issues Raised by the Committee** – Joint report of the Corporate Director – Strategic Resources and the Assistant Chief Executive (Legal and Democratic Services).  
(Pages 17 to 20)
- 7. North Yorkshire County Council and North Yorkshire Pension Fund – Audit of Accounts 2016/17 – Audit Progress** – Letter from KPMG (External Audit).  
(Pages 21 to 22)
- 8. Statement of Final Accounts 2016/17 – North Yorkshire Pension Fund** – Report of the Corporate Director – Strategic Resources.  
(Page 23)
- 9. Draft Statement of Accounts 2016/17 – North Yorkshire County Council** - Report of the Corporate Director – Strategic Resources.  
(Pages 24 to 36)  
(Draft Statement of Accounts 2016/17 circulated as a separate document)
- 10. Corporate Governance** - Report of the Corporate Director – Strategic Resources.  
(Pages 37 to 64)
- 11. Annual Report of the Head of Internal Audit**  
(Pages 65 to 97)
- 12. Internal Audit Plan for 2017/18** - Report of the Head of Internal Audit.  
(Pages 98 to 116)
- 13. Review of the Effectiveness of the Audit Committee** - Report of the Head of Internal Audit.  
(Pages 117 to 119)
- 14. Annual Report on Partnership Governance 2016/17** - Report of the Assistant Director (Policy and Partnerships).  
(Pages 120 to 135)

15. **Business Continuity – Update Report** - Report of the Resilience and Emergencies Manager.  
**(Pages 136 to 138)**
16. **Corporate Procurement Strategy Update** - Report of the Corporate Director – Strategic Resources.  
**(Pages 139 to 148)**
17. **Risk Management – Progress Report** - Report of the Corporate Director – Strategic Resources.  
**(Pages 149 to 171)**
18. **Audit Committee Work Programme** – Report of the Corporate Director – Strategic Resources.  
**(Pages 172 to 175)**
19. **Other business which the Chairman agrees should be considered as a matter of urgency because of special circumstances.**

Barry Khan  
Assistant Chief Executive (Legal and Democratic Services)

County Hall  
Northallerton

**Notes:**

**Emergency Procedures for Meetings**

**Fire**

The fire evacuation alarm is a continuous Klaxon. On hearing this you should leave the building by the nearest safe fire exit. Once outside the building please proceed to the fire assembly point outside the main entrance.

Persons should not re-enter the building until authorised to do so by the Fire and Rescue Service or the Emergency Co-ordinator.

An intermittent alarm indicates an emergency in nearby building. It is not necessary to evacuate the building but you should be ready for instructions from the Fire Warden.

**Accident or Illness**

First Aid treatment can be obtained by telephoning Extension 7575.

# AUDIT COMMITTEE

## 1. Membership

<b>County Councillors (8)</b>					
	<i>Councillors' Names</i>			<i>Political Group</i>	
1	ARTHUR, Karl			Conservative	
2	ATKINSON, Margaret			Conservative	
3	BAKER, Robert			Conservative	
4	COOPER, Richard			Conservative	
5	HUGILL, David			Conservative	
6	LUNN, Cliff			Conservative	
7	MACKAY, Don			NY Independents	
8	WEBBER, Geoff			Liberal Democrat	
<b>Members other than County Councillors (Non-voting) (3)</b>					
1	PORTLOCK, David				
2	MARSH, David				
3	Vacancy				
<b>Total Membership – (11)</b>					
				<b>Quorum – (3 ) County Councillors</b>	
<b>Con</b>	<b>Lib Dem</b>	<b>NY Ind</b>	<b>Labour</b>	<b>Ind</b>	<b>Total</b>
6	1	1	0	0	8

## 2. Substitute Members

<b>Conservative</b>		<b>Liberal Democrat</b>	
	<i>Councillors' Names</i>		<i>Councillors' Names</i>
1	BACKHOUSE, Andrew	1	
2	CLARK, Jim	2	
3		3	
4		4	
5		5	
<b>NY Independents</b>			
	<i>Councillors' Names</i>		
1			
2			
3			
4			
5			

# North Yorkshire County Council

## Audit Committee

Minutes of the meeting held on Thursday 2 March 2017 at 1.30 pm at County Hall, Northallerton.

### Present:-

#### County Councillor Members of the Committee:-

County Councillor Mike Jordan (in the Chair), County Councillors Margaret Atkinson, Robert Baker, Eric Broadbent, Jim Clark, David Ireton (as substitute for John Fort BEM) and Helen Grant.

#### External Members of the Committee:-

Mr David Marsh and Mr David Portlock.

#### In Attendance:-

County Councillor Carl Les (Leader of the Council).

KPMG Officer: Rashpal Khangura.

Veritau Ltd Officer: Max Thomas (Head of Internal Audit).

County Council Officers: Rob Davisworth (Senior Accountant), Kevin Draisey (Head of Procurement and Contract Management), Gary Fielding (Corporate Director – Strategic Resources), Richard Flinton (Chief Executive), Steve Loach (Democratic Services), Paul Nicholson (Senior Accountant) and Fiona Sowerby (Corporate Risk and Insurance Manager).

#### Apology for Absence:-

An apology for absence was received from County Councillor John Fort BEM.

---

**Copies of all documents considered are in the Minute Book**

---

#### 221. Minutes

##### Resolved -

That the Minutes of the meeting held on 1 December 2016, having been printed and circulated, be taken as read and be confirmed and signed by the Chairman as a correct record.

#### 222. Declarations of Interest

County Councillor Mike Jordan (Chairman) declared an interest in relation to his daughter undertaking a safeguarding project on behalf of North Yorkshire County Council presently.

#### 223. Public Questions or Statements

There were no questions or statements from members of the public.

The Chairman agreed to take the following agenda item out of order due to officer commitments.

## **224. Review of the Contract Procedure Rules**

Considered -

The report of the Corporate Director - Strategic Resources informing Members of the latest thinking relating to potential changes to the Contract Procedure Rules (the Rules).

The report outlined, in detail, key changes to the Rules, which would take effect from 18 May 2017, subject to Executive and full Council approval.

The key changes outlined related to the following:-

- ◆ Alignment to the new Procurement and Contract Management Service.
- ◆ Evaluation procedure.
- ◆ Authorisations.
- ◆ Grants.
- ◆ IR35 - Tax and NI requirements.
- ◆ Transparency.
- ◆ Small and Medium Enterprises (SMEs).

A discussion of the report was undertaken and the following issues and points were raised:

- ◆ It was clarified that the Audit Committee was the appropriate arena in which to review the Corporate Procurement Plan.
- ◆ Clarification was provided in relation to the details around grants, as opposed to contracts, and how these were evaluated.
- ◆ It was noted that the Regulations were embedded in UK Law and would not be affected by Britain leaving the EU, unless the Government decided to make changes to these.
- ◆ It was noted that IR35 requirements, being introduced from April 2017, would apply to current contracts and checks were being made to determine where these rules would be applied.
- ◆ Information was provided in relation to the receipt and opening of electronic tenders.
- ◆ Issues around corporate branding were discussed and it was considered that further consideration of how this was being used should be undertaken.

**Resolved -**

That the report be noted.

## **225. Progress on Issues raised by the Committee**

Considered -

The joint report of the Corporate Director - Strategic Resources and the Assistant Chief Executive (Legal and Democratic Services) which advised progress on issues which the Committee had raised at previous meetings, together with Treasury Management issues.

The following issues were noted:-

- ◆ Details of how views on the effectiveness of the Audit Committee would be obtained were outlined.
- ◆ It was noted that the follow-up audit in relation to Integrated Passenger Transport was still ongoing and it was expected that the report would be available for the next meeting of the Committee.
- ◆ The seminar on cyber security undertaken immediately prior to the meeting was welcomed by Members.

**Resolved -**

- (a) That the report be noted.
- (b) That the Corporate Director - Health and Adult Services and the Chairman of the Scrutiny of Health Committee be invited to attend the Audit Committee meeting on 13 July 2017 to discuss governance relating to health and social care integration.
- (c) 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 generally.
- (d) That the update regarding business continuity be submitted to the Audit Committee's meeting on 22 June 2017.

## **226. External Audit Plan 2016/17 for North Yorkshire County Council and North Yorkshire Pension Fund**

Considered -

The report of the External Auditor, KPMG, which highlighted the following:-

- ◆ Materiality was set at £15m for the Council and £25m for the Pension Fund. The External Auditor was obliged to report uncorrected omissions or mis-statements other than those which were clearly trivial to those charged with governance which had been set at £0.75m for the Council and £1.25m for the Pension Fund.
- ◆ The significant risks, requiring specific audit attention and procedures, had been identified as the significant changes in the pension liability due to LGPS triennial valuation and the valuation of schools. There were no specific significant risks identified within the Pension Fund.
- ◆ The National Audit Office had issued guidance for the value for money audit and it was noted that the approach for 2016/17 would be consistent with that

followed in 2015/16. The value for money conclusion work only applied to the Council and not to the Pension Fund.

- ◆ The planned audit fee for 2016 was £94,490 for the Council and £24,943 for the Pension Fund.

A discussion of the report was undertaken and the following issues and points were raised:-

- ◆ Clarification was provided as to how materiality was determined and how this was monitored by the External Auditor.
- ◆ Issues around the viability of primary schools and amalgamation taking place, to address that, were discussed in the context of how that affected the determination of the County Council's assets.

(County Councillor Mike Jordan (Chairman) declared a non-pecuniary interest as Governor to Drax Primary School.)

Issues around the determination of the ownership of primary schools, in respect of amalgamation, academisation and the involvement of the various Diocese were outlined in terms of the valuation of these as assets of the County Council.

- ◆ Details of the proposed earlier signing off date, by the External Auditor, were highlighted. It was noted that the timeframe for the completion of the 2016/17 accounts was being utilised as a forerunner for the implementation of the Account and Audit Regulations 2015 which would require the Statement of Final Accounts to be in place earlier than previously from 2017/18.
- ◆ Issues around the group of companies included as having group relationship with the Council and consolidated into group financial statements were discussed and it was noted that this matter was subject to further consideration.

#### **Resolved -**

That the External Audit Plan 2016/17 for North Yorkshire County Council and North Yorkshire Pension Fund, be noted.

#### **227. Production of Statements of Accounts 2016/17**

Considered -

The report of the Corporate Director - Strategic Resources reviewing the changes to the Statement of Accounts timetable and approach for 2016/17; and reviewing the changes in the approach to the Annual Governance Statement for 2016/17.

#### Statement of Accounts Timetable

To ensure compliance with the revised Account and Audit Regulations 2015 a revised timetable for the 2016/17 closure of accounts process had been devised, in line with the statutory deadline set for 2017/18.

Details of the timetable for the delivery of the Statement of Final Accounts 2016/17 was set out in section 4.6 of the report. It was noted that a report on the draft SOFA would be presented to a meeting of the Audit Committee, scheduled for 22 June 2017, to be followed by an Audit Sub-Committee group meeting to facilitate a more detailed review of the accounts. The external audit of accounts, by KPMG, was expected to



start in July 2017 and to be submitted to the scheduled meeting of the Audit Committee on 7 September 2017.

The Corporate Director - Strategic Resources highlighted the changes in approach to the closure of accounts process 2016/17 which were to be implemented to accelerate the final accounts process.

A discussion of the timetable was undertaken and the following issues and points were raised:-

- ◆ The dates, relating to Audit Committee meetings, set out in the timetable, were clarified.
- ◆ Issues around materiality, set by the External Auditors, were again clarified and it was stated that matters which were thought to be of note would continue to be reported to Audit Committee.
- ◆ It was noted that everyone would be required to work to the timetable, including joint venture companies, to ensure that the accounts were delivered on time.

#### Annual Governance Statement (AGS)

The Corporate Director - Strategic Resources provided details of the changes in approach required to the Annual Governance Statement 2016/17, in line with the accelerated closedown process, and as an integral part of the Statement of Final Accounts. He noted that the Council had been complying with the CIPFA/SOLACE 'Delivering Good Governance in Local Government 2007' framework which had been reviewed in 2016 to ensure that it met the up-to-date requirements of this framework. The framework and the 2016 principles were outlined in the report. Also outlined were the changes to the Local Code, Annual Governance Statement and Statements of Assurance that would be required to meet the accelerated closedown process.

It was noted that, in terms of Statements of Assurance, although the new approach would not see individual Statements of Assurance completed by Corporate Directors there would continue to be a review of the effectiveness of the systems of internal control, and risk management processes, reported to the Audit Committee and the reference points for those were outlined. Clarification was provided as to how this process would meet Section 7 of the AGS and how Audit Committee would continue to be involved.

#### **Resolved -**

- (i) That the Statement of Accounts timetable, and approach to that, be noted; and
- (ii) That the changes in approach to the Annual Governance Statement for 2016/17 be noted.

#### **228. Progress on 2016/17 Internal Audit Plan**

Considered -

The report of the Head of Internal Audit advising of the progress made to date in delivering the 2016/17 Internal Audit Plan.

The report indicated that the 93% target for the year would be exceeded by the end of April 2017. Details of the final reports issued in the period were provided and it was noted that a further seven audit reports had been issued but were still in draft.

Further details in relation to the following areas of work were also outlined:-

- ◆ Contingency and counter fraud work.
- ◆ Information governance.
- ◆ Variations to the 2016/17 Audit Plan.
- ◆ Follow-up of agreed actions.

During discussion of the report the following issues and points were raised:-

- ◆ An update in relation to assurances around Filey Junior School would be included in the detailed audit report for CYPS due in June.
- ◆ There were no specific trends in relation to the submission of Freedom of Information requests.
- ◆ The process in relation to the audit reports that had been issued but were yet to come before the Committee was outlined.

#### **Resolved -**

The progress made in delivering the 2016/17 Internal Audit Programme of Work and the variations agreed by the Client Officer be noted.

#### **229. 2017/18 Internal Audit Plan Consultation**

Considered -

The report of the Head of Internal Audit seeking Members' views on the priorities for Internal Audit in 2017/18 to inform the preparation of the Annual Audit Plan.

The Head of Internal Audit stated that this was an outline Audit Plan and Members' views were sought to identify any areas of risk that they considered warranted inclusion. A final version of the Audit Plan would be submitted to the Committee's meeting on 22 June 2017.

During discussion of the report the following issues and points were raised:-

- ◆ The advantages of having Internal Audit as a joint venture company were highlighted in terms of the ability to share best practice.
- ◆ The auditors had not been prevented from reviewing any areas.
- ◆ Clarification was provided in relation to the reduction in work being undertaken in relation to the settlement of refugees in the area.
- ◆ It was noted that, as a Teckal, the Internal Audit function (Veritau) was not required to be subject to a procurement exercise, however, it was emphasised that the Service provided value for money.
- ◆ Clarification was provided as to how issues relating to the North Yorkshire Pension Fund were dealt with under corporate/cross cutting audits, in terms of the administration service for the Pension Fund and how they were separated out from specific Pension Fund audit issues.
- ◆ A robust evaluation process was being developed by the Council in relation to the implementation of IR35 Regulations.

- ◆ The planned work on the Allerton Waste Recycling Park was not related to the issues discussed at the December meeting.
- ◆ It was noted that details of what was to be included in the Fleet Management audit were yet to be clarified and issues raised during December's Audit Committee meeting could be included.
- ◆ The audit relating to Pension Fund expenditure would include a review of pension calculations.

**Resolved -**

That the comments made by Members on the outline Internal Audit Plan for 2017/18, and the specific areas identified, be noted.

**230. Internal Audit Work/Internal Control Matters for the Central Services Directorate**

Considered -

- (a) The report of the Head of Internal Audit which advised of the Internal Audit work performed during the year ended 31 January 2017 for the Central Services Directorate and the opinion of the Head of Internal Audit of the systems of internal control in respect of that area.
- (b) The report of the Corporate Director - Strategic Resources which advised of the progress against the areas of improvement identified in the Central Services Directorate's Statement of Assurance and provided the latest Risk Register for the Central Services Directorate.

The Leader of the Council, County Councillor Carl Les, the Chief Executive, Richard Flinton and the Head of Internal Audit, Max Thomas, were present at the meeting and were questioned by Members in relation to issues raised in the reports.

During discussion of the report the following issues and points were highlighted:-

- ◆ The Head of Internal Audit stated that, in his opinion, the framework of governance, risk management and control operating in the Central Services Directorate provided substantial assurance. The Chief Executive welcomed the opinion of the Head of Internal Audit.
- ◆ It was noted that concerns with regards to claims submitted by Members of the Council in relation to Members' allowances continued. The Corporate Director - Strategic Resources stated that this matter would be addressed further, following the forthcoming elections.
- ◆ Issues around the community ownership of a number of North Yorkshire libraries were discussed and the Chief Executive stated that appropriate timescales were being met in relation the development of those proposals. A Member suggested that there was a need to ensure that local Members were included in publicity arrangements relating to the development of community library initiatives.
- ◆ The provision of broadband and how this was being developed for the difficult to reach, deeply rural areas in North Yorkshire was highlighted as a concern and the Chief Executive provided details of how proposals were being developed to address this situation. Members highlighted how some difficult to reach areas had undertaken self-help initiatives to enable broadband to be provided to their local communities. It was recognised that there were

challenges in supplying some areas with appropriate levels of broadband but efforts were being made to address this.

**Resolved -**

- (a) That it be noted that this Committee, having considered the report of the Head of Internal Audit, is satisfied that the internal control environment operating in the Central Services Directorate is both adequate and effective.
- (b) That the Central Services Directorate's Statement of Assurance be noted.
- (c) That the latest Risk Register for the Central Services Directorate be noted.

**231. Accounting Policies**

Considered -

The report of the Corporate Director - Strategic Resources reviewing the changes to the County Council's accounting policies for the current financial year, 2016/17, and noting potential changes in the pipeline that are likely to impact on the future years accounting policies and the Statement of Final Accounts.

The report highlighted the following issues:-

- ◆ Changes to the County Council's accounting policies for 2016/17 arose from the updated IFRS based Code of Practice on Local Authority Accounting issued by CIPFA in April 2016. Further updates to the 2016/17 Code of Practice had also been issued to reflect developments regarding statutory accounting and disclosure requirements.
- ◆ There were no changes in the Code of Practice that impacted on the County Council's 2016/17 accounting policies, however, the accounting policies ultimately determined for 2016/17 would be reported to Members on 13 July 2017 as part of the report accompanying the draft Statement of Final Accounts for 2016/17.
- ◆ An Appendix to the report listed the changes to the latest 2016/17 Code of Practice on Local Authority Accounting, which required consideration and, where appropriate, reflected in the Statement of Final Accounts for 2016/17.
- ◆ CIPFA had recently consulted on a draft Code of Practice on Local Authority Accounting for 2017/18 which were set out in an Appendix to the report. The key changes related to transport infrastructure assets.

The following issues and points were raised during discussion of the report:-

- ◆ Details relating to IFRS 16 - Leases were provided and it was noted that these predominantly related to leases held by schools. Information relating to how these assets were valued was provided.

**Resolved -**

- (a) That the 2016/17 changes in accounting policy required to comply with the 2016 Code of Practice in Local Authority Accounting, as set out in the report, and Appendix A to the report, be noted.

- (b) That the potential changes to the Statement of Final Accounts, and accounting policies, which are in the pipeline for future years (2017/18 onwards), as set out in paragraph 4.1 of the report and Appendix B to the report, be noted.

### **232. Information Governance - Progress Report**

Considered -

The report of the Corporate Director - Strategic Resources updating Members on the progress made to further develop the County Council information governance arrangements.

Highlights of the report included:-

- ◆ Strategic overview and prioritisation of work.
- ◆ Information Asset Registers.
- ◆ Information security compliance.
- ◆ Training and culture.
- ◆ Data sharing with partner agencies.

Discussion of the report highlighted the following issues and points:-

- ◆ Members reiterated their commendation in respect of the seminar that took place in relation to cyber security and information governance immediately before the meeting.
- ◆ Concern was raised regarding the areas of limited assurance issued in relation to information security compliance checks. It was noted that some disciplinary action had been taken where necessary, however, the emphasis was on working together to ensure that poor practice was recognised and eliminated. It was also noted that the Council had self-reported some breaches to the Information Commissioner's Office, who had been satisfied with the action taken by the Council and had, therefore, considered the matters to be closed..
- ◆ Issues around data sharing with partner agencies and the development of protocols were highlighted and the difficulties faced in creating agreements to which all bodies could sign up to were noted.

**Resolved -**

That the progress made on information governance issues be noted.

### **233. Counter Fraud and Associated Matters**

Considered -

The report of the Head of Internal Audit reporting on the number and type of investigations undertaken by Veritau Limited during 2016/17 to date; requesting Members' to consider proposed changes to the County Council's Money Laundering Policy prior to approval; and requesting Members to consider the Annual Fraud Risk Assessment for the County Council.

The report highlighted the following:-

- ◆ The Counter Fraud Policy Framework.
- ◆ Investigations undertaken in 2016/17.
- ◆ Fraud Risk Assessment.

The Head of Internal Audit reported that all organisations were at an increased risk of fraud and corruption and, as such, there was a continuing need for the County Council to maintain counter fraud arrangements and to ensure it responded appropriately. In particular the County Council had a Counter Fraud Policy Framework which it kept under review. The framework included the County Council's Money Laundering Policy and, following a review, a copy of the revised policy was provided with the proposed amendments shown as track changed. The report also set out details of investigations undertaken during 2016/17 into concerns and allegations of possible fraudulent or corrupt working practices. The details were set out in Appendix 2 to the report. The outcome of Annual Fraud Risk Assessment, designed to identify the activities and areas within the County Council which presented the greatest risk of loss was also set out in Appendix to the report.

A discussion of the report highlighted the following issues:-

- ◆ In relation to the Anti-money Laundering Policy it was noted that further changes may be required shortly due to new regulations being introduced, however, it was considered appropriate that the new policy be implemented with any changes made at a later stage where necessary.
- ◆ Issues around allegations of improper behaviour, investigations that had taken place as a result and the numbers that were proved to be correct were detailed.
- ◆ Details relating to improper school admission applications and the significant increase in the numbers of allegations around those were provided.
- ◆ Issues relating to procurement related fraud were highlighted and it was noted that this was not predominant within North Yorkshire County Council which was likely to be due to the strategy and controls in place.
- ◆ It was noted that a particular strength of having Veritau as a joint venture company alongside the County Council was highlighted in the provision of a Corporate Fraud Team, a facility many other Councils did not provide.
- ◆ The development and changes to the Anti-Money Laundering Policy had assisted in highlighting areas which had not been considered previously. It was noted that when the new Regulations were published, the policy would return to the Audit Committee and any further changes would be detailed at that stage.

**Resolved -**

- (a) That the investigations carried out by Veritau in 2016/17 to date, and the outcome of the Annual Fraud Risk Assessment, be noted.
- (b) That the proposed changes to the County Council Anti-money Laundering Policy be approved.

**234. Annual Treasury Management Strategy 2017/18**

Considered -

The report of the Corporate Director - Strategic Resources providing details of an updated Annual Treasury Management Strategy for the financial year 2017/18 which incorporates:-

- (a) The Annual Investment Strategy.

- (b) A minimum revenue provision policy.
- (c) A policy to cap capital financing costs as a proportion of the annual net revenue budget.

The Corporate Director reported that the County Council was required to approve an up-to-date Annual Treasury Management and Investment Strategy before the start of the new financial year and, accordingly, a Treasury Management Policy/Strategy for 2017/18 had been approved at the meeting of the full County Council held on 15 February 2017. A copy was appended to the Committee's report and the Committee was invited to review the documentation and consider whether it would wish to refer any proposals back to the Executive.

During the discussion of the report the following issues and points were raised:-

- ◆ It was requested that the previous in-house training, organised for Members of the Audit Committee, be repeated after the forthcoming elections, when the new Audit Committee had been appointed.
- ◆ A Member noted the list of 12 Treasury Management Practices and was unsure whether these had been to the Audit Committee as stated. The Corporate Director - Strategic Resources stated that he would check on that and report back.
- ◆ In respect of gross debt and the capital financing requirement it was noted that the process outlined was undertaken every year and the strategy altered accordingly.
- ◆ A Member suggested that the figures contained within the section headed "Global Economy - Eurozone" appeared to be rather high. The Corporate Director - Strategic Resources agreed to check those, amen if necessary and report back.
- ◆ It was noted that internal capital financing was monitored on a very frequent basis to ensure that short term savings could be achieved and credit risks mitigated against. The Corporate Director - Strategic Resources stated that monitoring was undertaken on a daily basis.

**Resolved -**

- (a) That the review of the 2017/18 Treasury Management documentation, as appended to the report, be noted.
- (b) That the information requested by Members be provided by the Corporate Director - Strategic Resources.
- (c) That no proposals be referred from this Committee back to the Executive.

**235. Programme of Work 2016/17**

Considered -

The report of the Corporate Director - Strategic Resources which invited the Committee to review its Programme of Work for 2016/17.

The following additional information was highlighted:-

- ◆ A provisional date for an additional meeting of the Committee was added on 28 September 2017 at 1.30 pm.
- ◆ A training session for the newly appointed Audit Committee, following the forthcoming elections, would be added into the Programme of Work.

**Resolved -**

That the Programme of Work be approved, subject to the addition of the issues listed above.

The meeting concluded at 4 pm.

SL/JR



## 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.

<b>Date</b>	<b>Minute number and subject</b>	<b>Audit Committee Resolution</b>	<b>Comment</b>	<b>Complete?</b>
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.	?

<b>Date</b>	<b>Minute number and subject</b>	<b>Audit Committee Resolution</b>	<b>Comment</b>	<b>Complete?</b>
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"> <li>The review be undertaken prior to the local government elections in 2017</li> </ul>	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"> <li>• 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.</li> <li>• Issues which the review identifies as working well be reported to the Audit Committee's meeting to be held on 22 June 2017</li> <li>• Members' responses to the Review be collated by a neutral party</li> <li>• 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</li> </ul>	<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



KPMG LLP  
1 Sovereign Square  
Sovereign Street  
Leeds LS1 4DA  
United Kingdom

Tel +44 (0) 113 231 3000  
Fax +44 (0) 113 231 3200

**Private & confidential**

Gary Fielding  
Corporate Director – Strategic Resources  
North Yorkshire County Council  
County Hall  
Northallerton  
North Yorkshire  
DL7 8AD

Our ref RK/AN/aplet25417

Contact Alastair Newall  
0113 2313552

25 April 2017

Dear Gary

**North Yorkshire County Council and North Yorkshire Pension Fund  
Audit of accounts 2016/17 – Audit progress**

We have now completed our planning and interim audit work in line with the timetable set out in our detailed External Audit Plan, dated February 2017. In that plan we indicated that we were planning to present an Interim Audit Report to the Council's Audit Committee to report on the outcome of the planning and control evaluation phases of our audit. This was to ensure that, in line with good practice, any significant matters are reported to those charged with governance in a timely manner.

**Financial statements audit work**

As our audit work to date on the financial statements has gone smoothly and we have not identified any significant issues, we have no matters to report to the Audit Committee at this stage. Our preparations for the final audit visit are underway, and we plan to commence our on-site audit work in early July.

The CIPFA Code of Practice on Local Authority Accounting 2016/17 has introduced an updated format to the financial statements this year, as a result of CIPFA's *Telling the Story* consultation, designed to improve the transparency of Council financial statements. We have maintained an ongoing discussion with the Council's finance staff, and have reviewed and provided comments on the Council's re-presented 2015/16 reported results which are required to be reported as comparable prior year figures. There are no significant issues to report to the Audit Committee.

**Value for Money conclusion work**

During our interim audit, we have completed our detailed planning, risk assessment and related fieldwork for our Value For Money (VFM) conclusion. We have reported the outcome from that work below to enable Council officers and Audit Committee to be aware of the key outcomes.



Our VFM work considers the Council's arrangements to deliver value for money in its use of resources covering three key areas:

- Informed decision making;
- Sustainable resources deployment; and
- Working with partners and third parties.

Our planning work consisted of reviewing Council policies, reports and other documents, discussions with key officers, and reviewing reports and outputs from other inspectorates and review bodies.

In particular we have considered and reviewed the Council's:

- projected financial position at the end of 2016/17, including the expected delivery of savings;
- budget and savings plans for 2017/18;
- risk management arrangements;
- governance arrangements, including reporting to senior management and Members; and
- ongoing working arrangements with other organisations.

Our detailed planning work concluded that there were no significant risks to our VFM conclusion in 2016/17, and we do not intend to carry out any further detailed risk-based VFM work. We will revisit our planning conclusions during our final audit visit to ensure that they remain appropriate and valid, and we will report our findings in our final audit report.

In the absence of the need for a formal Interim Audit Report, this letter can be presented to the June 2017 Audit Committee meeting, to provide them with an update on the progress of, and findings from our audit.

Yours sincerely

Rashpal Khangura  
Director, KPMG LLP

## NORTH YORKSHIRE COUNTY COUNCIL

## AUDIT COMMITTEE

22 JUNE 2017

## STATEMENT OF FINAL ACCOUNTS 2016/17 - NORTH YORKSHIRE PENSION FUND

## Report of the Corporate Director, Strategic Resources

**1.0 PURPOSE OF REPORT**

- 1.1 To consider the draft Statement of Final Accounts of the North Yorkshire Pension Fund for the financial year 2016/17

**2.0 BACKGROUND**

- 2.1 The Draft Statement of Final Accounts for the North Yorkshire Pension Fund (NYPF) for 2016/17 is contained in the attached booklet 'North Yorkshire County Council Draft Statement of Accounts 2016/17' on pages 114 to 141. NYPF's Accounts are subject to a separate external audit.

**3.0 STATEMENT OF FINAL ACCOUNTS**

- 3.1 At its meeting on 6 July 2017 the Pension Fund Committee will be considering the draft statement of accounts for 2016/17 which is set out on pages 114 to 141 of the attached booklet.
- 3.2 Subject to the outcome of the external audit, these Final Accounts will be incorporated into the Pension Fund Annual Report which will be circulated to all Employers and also placed on the NYPF website. The Annual Report will be submitted to the Pension Fund Committee meeting on 14 September 2017 for recommendation for approval by the Audit Committee.

**4.0 RECOMMENDATION**

- 4.1 Members are asked to consider the draft Statement of Final Accounts of the North Yorkshire Pension Fund for 2016/17

GARY FIELDING  
Corporate Director, Strategic Resources  
County Hall, Northallerton  
22 June 2017

**NORTH YORKSHIRE COUNTY COUNCIL****AUDIT COMMITTEE****22 June 2017****DRAFT STATEMENT OF ACCOUNTS 2016/17****Report of the Corporate Director – Strategic Resources****1.0 PURPOSE OF THE REPORT**

- 1.1 To consider a draft Statement of Final Accounts (SOFA) for 2016/17 for the County Council in advance of:
- (a) these accounts being audited by KPMG during July and August 2017 and
  - (b) being re-submitted to this Committee for formal approval 7 September 2017 after the external audit has been completed.

**2.0 BACKGROUND**

- 2.1 The Accounts and Audit Regulations set out the requirements and timelines for Member approval of Local Authority Accounts and one of the Terms of Reference for this Committee is to approve the Annual SOFA.
- 2.2 There is no requirement for Member approval of a draft SOFA at this stage in advance of consideration and review by External Audit.
- 2.3 Currently the SOFA must be certified by the Section 151 (Chief Finance) Officer by 30 June and approved by Members (the Audit Committee) in advance of the certification and publication of the Accounts by 30 September. Therefore, the SOFA is being submitted to the Audit Committee in June for information and review/comment only, not formal approval.
- 2.4 The Accounts and Audit Regulations 2015 set out the requirement to accelerate the certification and publication of the accounts from 2017/18 onwards, so that draft annual accounts are produced by 31 May and audited, approved and published by 31 July following the end of the financial year.
- 2.5 In order to ensure compliance with the requirements of the new Accounts and Audit Regulations the County Council have been working to a revised timetable for the 2016/17 closure of accounts process, which is in line with the statutory deadlines set for 2017/18.
- 2.6 The draft SOFA includes the draft Annual Governance Statement (AGS). At this stage it remains draft pending further work including output as a result of the Governance sub-group.



2.7 The final SOFA, after External Audit, will be re-submitted to this Committee on 7 September 2017 for formal approval. (A reserve date has also been set aside as 28 September 2017 should it be required).

### 3.0 **STATEMENT OF FINAL ACCOUNTS 2016/17**

3.1 The County Council's draft SOFA for 2016/17 is attached as a separate booklet circulated with the agenda after being certified by the Corporate Director – Strategic Resources on 31 May 2017.

3.2 The format and content of the SOFA must comply with CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2016/17. This Code prescribes the accounting treatment and disclosures for all transactions and balance sheet items of a Local Authority's Accounts and constitutes 'a proper accounting practice' under the terms of the Local Government Act 2003.

3.3 A Summary sheet giving a brief explanation of the various statements included in the SOFA is attached as **Appendix A**.

### 4.0 **CHANGES REFLECTED IN THE 2016/17 SOFA**

4.1 For 2016/17 there are only relatively minor presentational changes reflected in this year's SOFA as there were no significant updates arising from the 2016 Code of Practice on Local Authority Accounting. The main change being the introduction of the Expenditure and Funding Analysis statement, which sets out how the funding available to the County Council for the year has been used in providing services.

4.2 In terms of Accounting Policies, there have been no changes to the Code of Practice that have impacted on the County Council's 2016/17 Accounting Policies.

4.3 It was anticipated that CIPFA would instruct Local authorities to adopt the requirements of the Code of Practice on Highways Network Assets in the 2016/17 Accounts, which would have been a significant change in Accounting Policy. However, CIPFA initially postponed the full implementation of the Code of Practice on Highways Network Asset to 2017/18 in November 2016 and then subsequently announced in March 2017 that it would not be proceeding with the introduction of the Code indefinitely. CIPFA have determined that it will give further consideration to this issue only if provided with clear evidence that benefits outweigh costs for local authorities.

### 5.0 **REVENUE AND CAPITAL OUTTURN FOR 2016/17**

5.1 Revenue Budget and Capital outturn reports for 2016/17 were considered by the Executive on 13 June 2017. These reports and the spending details reported form only part of the information reflected in the full SOFA, which also includes a Balance Sheet, Cash Flow Statement, Group Accounts, Pension Fund Accounts etc.

5.2 The Council's in-year accounting and budgeting arrangements are designed to fit its organisational structure and are different to the statutory year-end requirements. Therefore, the management accounts have had to be reworked to fit these formal requirements.

5.3 The main differences between the County Council's management accounts and the published statutory accounts are set out at **Appendix B**.

5.4 Although the presentation of the figures in the SOFA (Income and Expenditure Account) is very different, the resulting changes do not affect the overall net expenditure to be funded from Central Government Grant, Business Rates and Council Tax or the levels of working balances.

## 6.0 KEY FEATURES

6.1 The key features of the accounts are highlighted below – the figures quoted relate only to the County Council activities and do not include activity relating to those companies reflected in the group accounts section of the SOFA.

### Revenue Spending

6.2 The net cost of the provision of service reported in the Comprehensive Income and Expenditure Statement is £411.4m. After accounting for other operating, financing, investment, taxation and non-specific income and expenditure the deficit on the provision of services is £35.6m. The movement from the cost of service to deficit on the provision of service in the Comprehensive Income and Expenditure Statement is shown in the table below:

Item	£m
Cost of Services - Gross Expenditure	984.3
Cost of Services - Income	-572.9
<b>= Net Cost of Services</b>	<b>411.4</b>
Other Operating Expenditure	57.0
Financing and Investment Income and Expenditure	26.7
Other Funding	-459.5
<b>= Deficit on Provision of Service</b>	<b>35.6</b>

6.3 The reported key figures from the Comprehensive Income and Expenditure Statement can be reconciled to the County Councils Management Accounts Outturn as follows:

Item	Net Expenditure £m	Funding £m	Deficit in Year £m
<b>Deficit on the Provision of Service</b>	495.1	-459.5	35.6
Different treatment of some Funding	-14.2	14.2	0.0
Other 'Non Cash Backed' Transactions			
Capital Accounting	-98.8	83.8	-15.0
Pensions Accounting	-16.9	0.0	-16.9
Movement in Earmarked Reserves	-2.8	-0.6	-3.4
Collection Fund Accounting	0.0	0.9	0.9
Holiday Pay Accounting	-1.8	0.0	-1.8
<b>= Management Accounts Outturn</b>	<b>360.6</b>	<b>-361.2</b>	<b>-0.6</b>

- 6.4 Net revenue spending of £360.6m was therefore, £0.6m below total funding of £361.2m with a breakdown by Directorate being as follows:

Directorate	Revised Estimate £m	2016/17 Outturn £m	Variation £m
Children and Young People's Service	66.1	67.7	1.6
Business and Environmental Services	64.7	64.9	0.2
Health and Adult Services	146.0	146.0	0.0
Central Services	60.0	59.6	-0.4
Corporate Miscellaneous	24.4	22.4	-2.0
<b>= Total Budget Position</b>	<b>361.2</b>	<b>360.6</b>	<b>-0.6</b>

- 6.5 The net spend of £360.6m shown above was funded by:

Item	Revised Estimate £m	2016/17 Outturn £m	Variation £m
Revenue Support Grant	37.4	37.4	0.0
Business Rates	60.2	60.2	0.0
Council Tax	260.0	260.0	0.0
Transitional Grant	3.0	3.0	0.0
Transfer (To)/From Strat. Cap. Reserve	0.6	0.0	-0.6
<b>= Total Budget Position</b>	<b>361.2</b>	<b>360.6</b>	<b>-0.6</b>

- 6.6 The Net Revenue Outturn saving of £0.6m is made up of a number of variances – these variances are explained in further detail within the Revenue Outturn Report:

Item	£m
Net Delayed Achievement of Savings	0.4
Achievement of Savings Not Previously Identified	-1.8
HAS Corporate Contingency Not Required	-1.0
Additional Rural Delivery Grant	-1.6
Inflation and Budget Provisions Not Allocated	-1.1
Voluntary Minimum Revenue Provision Contribution	5.0
Other One-Off Windfalls and Savings Net of Overspends	-0.5
<b>= Total Revenue Outturn Variation</b>	<b>-0.6</b>

### Comprehensive Income & Expenditure Statement Surplus on Provision of Services

- 6.7 The Statement of Accounts reflect a number of notional transactions that have to be included as revenue spending but do not impact on the actual expenditure or funding position of the County Council.
- 6.8 The notional transactions which impact on the reported surplus/deficit are referred to in more detail in **Appendix B**.

- 6.9 A further breakdown of the 'Capital Accounting' notional entries reflected in the Comprehensive Income and Expenditure Statement is as follows:

Item	£m
Property valuation losses arising from the annual revaluation of property	10.4
Depreciation charges to reflect the reduction in value of assets over their useful economic life	31.1
Capital expenditure identified as not enhancing the value of the County Councils assets	10.2
Loss on disposal of assets - this includes the transfer of school property on gaining academy status for no consideration	56.4
Other adjustments including the write down in value of intangible assets and capital expenditure not resulting in the creation of a fixed asset	24.3
Capital Grants used to fund capital expenditure in year	-106.1
Revenue financing of capital expenditure removed from service costs and replaced by a depreciation charge	-11.3
<b>= Total Impact of Capital Accounting Adjustments</b>	<b>15.0</b>

### Capital Spending

- 6.10 Capital expenditure in 2016/17 was £109.9m, which was £8.2m below the last Capital Plan update approved in February 2017 (£118.1m). The gross underspend resulted mainly from the capital expenditure being rephased from 2016/17 to 2017/18. Gross expenditure at Directorate level was:

Directorate	Capital Plan £m	2016/17 Outturn £m	Variation £m
Children and Young People's Service	36.7	26.4	-10.3
Business and Environmental Services	76.2	81.1	4.9
Health and Adult Services	0.5	0.0	-0.5
Central Services	4.7	2.4	-2.3
<b>Total Budget Saving</b>	<b>118.1</b>	<b>109.9</b>	<b>-8.2</b>

- 6.11 The £109.9m capital expenditure shown above was funded by:

Item	£m
Borrowing - External Sources (PWLB)	0.0
Borrowing - Internal Sources	-6.3
Capital Grants and Contributions	97.8
Schemes funded from Revenue	11.1
Capital Receipts	7.3
<b>= Total Financing of Capital Expenditure</b>	<b>109.9</b>

### Balance Sheet

- 6.12 The movement in the County Council's reserves position is shown in the table below:

<b>Earmarked Reserve</b>	<b>31 March 2015/16 £m</b>	<b>31 March 2016/17 £m</b>	<b>2016/17 Variation £m</b>
Earmarked for Schools	44.7	30.7	-14.0
Strategic Resources	36.0	46.2	10.2
Other Retained for Specific Initiatives	75.2	75.6	0.4
Smart Solutions and Other Traded	6.6	8.2	1.6
Grants & Contributions Reserve	30.0	29.0	-1.0
<b>TOTAL Earmarked Reserves</b>	<b>192.5</b>	<b>189.7</b>	<b>-2.8</b>
General Working Balances	27.3	27.3	0.0
<b>TOTAL Usable Reserves</b>	<b>219.8</b>	<b>217.0</b>	<b>-2.8</b>

6.13 In addition to earmarked reserves, sums set aside as provisions are as follows:

<b>Item</b>	<b>31 March 2016 £m</b>	<b>31 March 2017 £m</b>
Insurance	4.5	6.7
Highways Advance Payments	2.1	3.1
Other	1.1	0.7
<b>= Total Provisions</b>	<b>7.7</b>	<b>10.5</b>

6.14 Property, plant and equipment assets (land, buildings and infrastructure etc.) are valued at £1,498.1m at 31 March 2017 compared with £1,507.7m at 31 March 2016. The £9.6m reduction in 2016/17 reflects the following factors:

<b>Item</b>	<b>£m</b>
New Capital Spending	76.2
Depreciation Charges	-50.1
Disposal of Property (mainly transfer of Academy Schools)	-65.4
Property Revaluations	29.7
<b>= Total Movement in Year</b>	<b>-9.6</b>

6.15 External debt in relation to capital spending is £309.0m at 31 March 2017 compared with £316.6m at 31 March 2016. The £7.6m reduction reflects scheduled loan repayments being made and no new external loans being taken.

### **Pension Fund**

6.16 The value of the North Yorkshire Pension Fund was £3,035m at 31 March 2017 compared with £2,418m at 31 March 2016 (an increase of £617m). The increase in the Pension Fund value consisted of:

Item	£m
Contributions Income - Employees and Employers	127.3
Benefits Payable	-104.2
Net Transfers in to the Fund	2.4
Investment Income	19.6
Change in Market Value of Investments	589.4
Less Investment Management and Administration Expenses	-17.0
<b>= Total Increase in Value of Pension Fund</b>	<b>617.5</b>

## 7.0 CERTIFICATION OF ACCOUNTS

- 7.1 The Accounts and Audit Regulations do not require formal Member approval of the Draft SOFA. However, Member consideration, approval and certification is required for the Final SOFA.
- 7.2 On completion of the external audit of the 2016/17 accounts a report from the Auditor will be submitted to the meeting of this Committee scheduled for 7 September 2017. Following consideration of the Auditor's report, the Committee will be asked to consider and approve the SOFA with the Chairman being asked to sign and date the Accounts.
- 7.3 Any significant changes reflected in the Final SOFA compared with the Draft version attached, as a result of the audit, will be reported to Members on 7 September 2017.
- 7.4 The Accounts and Audit Regulations continue to require the responsible financial officer to sign and date the Draft SOFA by 30 June and certify that it presents 'a true and fair view of the financial position of the Authority at the end of the year and its income and expenditure for that year'. This was done on 31 May 2017.
- 7.5 The Chief Executive has also co-signed the SOFA recognising the unique position of the Chief Executive.
- 7.6 The responsible Financial Officer (Corporate Director – Strategic Resources) must also re-certify the Final version of the SOFA before it is approved by the Audit Committee 7 September 2017.

## 8.0 AUDIT OF ACCOUNTS

- 8.1 The Accounts and Audit Regulations require that the External Auditor formally signs off the County Council's 2016/17 accounts by 7 September 2017. KPMG will undertake the audit of the accounts during July and August 2017.
- 8.2 Following completion of the audit the External Auditor is then required to issue a report to those charged with governance, summarising the conclusions from the audit work. The External Audit report will be submitted to this Committee on 7 September 2017. Following consideration of this report from the External Auditor, Members will then be asked to approve a final SOFA prior to it being formally signed off by the External Auditor.

- 8.3 The Auditors' conclusion from their audit will also be included as part of the overall audit of the County Council for 2016/17 which will be reported in the usual way through the Annual Audit Letter. This Letter will be submitted to a future meeting of this Committee and the Executive, although the Auditor will be requested to sign off the Final Accounts at the meeting of this Committee on 7 September 2017 in order to achieve the 30 September statutory deadline.
- 8.4 The Local Audit and Accountability Act 2014 and Accounts and Audit Regulations 2015 require the County Council to notify the public that the Final Accounts are open for inspection for a four week period by way of advertisement and on its website. This Notice was placed on the website on 5 June 2017 with an inspection period between 5 June and 14 July 2017. During the period of inspection, any interested person is able to question the External Auditor about the content of the Accounts.
- 8.5 As soon as reasonably possible after the conclusion of the audit, the County Council is also required, to give notice through its website that the audit has been concluded and that the SOFA is available for inspection.

#### 10.0 **AUDIT AND ACCOUNTS REGULATIONS 2015**

- 10.1 The changes reflected in the new 2015 Accounts and Audit Regulations, some of which have been implemented in the 2016/17 accounts process are as follows.
- (a) Certification of the Accounts by the S151 Officer (currently 30 June) and publication on the authority's website by 30 June for 2016/17 remains unchanged. This deadline is then shortened by one month to 31 May from 2017/18.
  - (b) The full SOFA has to be re-certified by the S151 Officer, approved by Members (this Committee), the external audit opinion to be issued and both published by 30 September for 2015/16 and 2016/17, which is unchanged. This deadline is then shortened by two months to 31 July from 2017/18
  - (c) From 2017/18 where the Audit of Accounts has not been concluded by 31 July a notice must be put on the authority's website stating that it has not been able to publish the statement of accounts and the reasons for this and then subsequently publish the accounts as soon as reasonably practical after the receipt of any report from the auditor.
  - (d) The public's right of objection and inspection of the accounts and questioning of the auditor from 2015/16 will be through a single 30 working day period which must include the first 10 working days of July for 2015/16 and 2016/17 (transitory provisions) and then the first 10 working days of June from 2017/18 onwards.
  - (e) As from 2015/16 the SOFA must be available for public access for a period of not less than 5 years.

## 11.0 ANNUAL GOVERNANCE STATEMENT

- 11.1 The draft SOFA includes the draft Annual Governance Statement (AGS). Potential changes to the Statement will be considered by a Governance sub group with a final version of the AGS being submitted to this Committee on 7 September 2017 when it is asked to formally approve the final SOFA.

## 12.0 RECOMMENDATION

- 12.1 That Members consider the draft Statement of Final Accounts for 2016/17 in advance of the accounts being audited and resubmitted to the Audit Committee on 7 September 2017 for formal approval.

GARY FIELDING

Corporate Director – Strategic Resources

County Hall  
Northallerton

22 June 2017



**STATEMENT OF FINAL ACCOUNTS**  
**Brief Explanation of Contents**

**(a) Narrative Statement**

The purpose of this statement is to act as a guide to the most significant matters impacting on the County Council's finances. It gives provides commentary on the County Councils financial performance and value for money in its use of resources.

**(b) Independent Auditor's Report**

The report explains the auditors' responsibilities in relation to the Statement of Accounts. It also expresses an opinion on the Accounts and shows how this opinion was reached. The report also gives a value for money opinion in terms of the arrangements for securing economy, efficiency and effectiveness, (currently not included in draft SOFA).

**(c) Statement of Accounting Policies**

This statement explains the principles, bases, conventions and rules applied by the County Council in preparing the Statement of Accounts.

**(d) Statement of Responsibilities for the Statement of Accounts**

This statement outlines the County Council's responsibilities for the Accounts under local government legislation and any other requirements. It also details the legal and professional responsibility for the Accounts of the Corporate Director – Finance and Central Services (i.e. Section 151 officer).

**(e) Expenditure and Funding Analysis**

This statement demonstrates how the funding available to the County Council for the year has been used in providing services in comparison with those resources consumed or earned by the County Council

**(f) Comprehensive Income and Expenditure Statement**

This shows the Net Cost of the Services provided by the County Council and how this has been financed from general government grants and local tax payers. This Statement shows the accounting cost in the year of providing services in accordance with specified accounting principles, rather than the amount to be funded from taxation.

**(g) Movement in Reserves Statement**

This Statement shows the movement in the different reserves held by the County Council over the year. The Statement is analysed into usable reserves, those that can be applied to fund expenditure or reduce local taxation, and other unusable reserves.

**(h) Balance Sheet**

This is a statement of the overall financial position of the County Council at the end of the year and shows the Balances and Reserves at the County Council's disposal, its long term indebtedness and the fixed and net current assets employed in its operations.

**(i) Cash Flow Statement**

The Cash Flow Statement shows the changes in cash and cash equivalents of the County Council during the financial year. The Statement shows how the County Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

**(j) Notes to the Core Financial Statements**

These notes provide further details and explanation of the figures included in the Core Financial Statements.

**(k) Group Accounts**

The County Council conducts some of its activities through partnerships and separate undertakings. Some of these are not directly reflected in the statements (e) – (h) above due to legal and regulatory reasons. These Group Accounts are required to present a full picture of the County Council's economic activities and financial position in order to aid the primary financial statements.

**(l) North Yorkshire Pension Fund Accounts**

The Accounts show the income and expenditure of the North Yorkshire Pension Fund together with the financial position of the Fund on 31 March 2017.

**(m) Annual Governance Statement**

This statement sets out the framework within which financial control and corporate governance is managed and reviewed by the County Council and the main components of the system. It also reports on significant identified weaknesses and the actions undertaken to rectify these.

**(n) Glossary of terms**

## **APPENDIX B**

### **MAIN DIFFERENCES BETWEEN THE MANAGEMENT ACCOUNTS AND THE PUBLISHED STATUTORY ACCOUNTS**

#### **1.0 CAPITAL CHARGES**

In the SOFA, the County Council is required to adopt CIPFA's Capital Accounting Regulations which means that each service has to reflect a depreciation charge for the assets they use (land, building, plant and machinery etc.) Adjustments are also made for the following other types of capital charge:

- impairment of non-current (fixed) assets
- revaluation losses from the revaluation of property
- changes in the market value of Investment Properties
- amortisation of intangible assets
- revenue expenditure from capital under statute (capital expenditure that does not result in a County Council asset)

These capital charges replace the minimum revenue provision (MRP) for debt repayment which is included in the management accounts, and charged against the County Council's budget requirement. The MRP is therefore not charged to the Comprehensive Income and Expenditure Statement. Similarly, capital expenditure which is funded directly by the General Fund (funded by Council Tax, General Revenue Grant and Business Rates) is not charged to the Comprehensive Income and Expenditure Statement.

Capital charges are off-set by capital grants and contributions (which are used to fund expenditure on non-current (fixed assets)). These contributions are credited in full to the Comprehensive Income and Expenditure Statement in the year where the terms and conditions of these contributions have been satisfied but this treatment does not impact on the management accounts of the County Council. Where the conditions of these capital grants have not been met at year-end, the grant is held in the balance sheet as 'Capital Grant Unapplied'.

#### **2.0 TRANSFERS TO AND FROM RESERVES**

Transfers into, and expenditure funded from, reserves are not considered part of the net cost of services and are therefore not reflected at all within the Income and Expenditure Statement.

#### **3.0 EMPLOYER'S PENSION FUND CONTRIBUTIONS AND ADJUSTMENTS INVOLVING THE PENSION FUND RESERVE**

Accounting for retirement benefits (IAS 19) requires that employer's contributions to pension schemes, reflected in service accounts should only consist of 'current service' costs. As the actual contributions made to the North Yorkshire Pension Fund by the County Council include an element of back-funding to recover the Pension Fund deficit, the service expenditure figures reported in the SOFA have to be adjusted to reflect the current service cost as calculated by the Fund actuary.

In addition, the Comprehensive Income and Expenditure Statement also includes, as part of operating expenditure, the net impact of the notional return (County Council share) of the Pension Fund assets and the increase in accrued future pension liabilities.

The required changes also reflect the inclusion of the attributable share of Pension Fund assets and liabilities in the County Council's Balance Sheet. This reflects the County Council's commitment to the Pension Fund but does not mean however that legal title or obligation has passed from the trustees of the Pension Fund to the employer.

#### **4.0 COUNCIL TAX AND BUSINESS RATES (COLLECTION FUND) ACCOUNTING**

The County Council's Income and Expenditure Statement includes the Authority's share of the carried forward Council Tax and Business Rates Collection Fund surpluses and deficits of each of the seven District Councils at the year end. This is in place of the estimated sums at the previous year end that have been paid over to the County Council during the year and used for Budget/Council Tax setting purposes in future years.

#### **5.0 HOLIDAY AND FLEXI PAY ACCRUAL**

The County Council has to charge the Income and Expenditure Statement with an estimate of accrued and untaken Annual Leave and Flexi Leave at 31 March. This figure includes a substantial figure for untaken Teacher's (and other schools-based staff) holiday pay, in relation to the days worked and taken as holiday in the Spring Term at each school. This adjustment is purely notional and does not impact on the County Council's budget requirement or level or working balances (GWB).

#### **6.0 GAINS AND LOSSES ON THE DISPOSAL ON NON-CURRENT (FIXED) ASSETS**

An example of this would be where a School acquires Academy status and there is an automatic transfer of the ownership of the Land and Building of the school premises to the School's Board of Governors for nil value. Such a notional loss does not, however, impact on the day to day management accounts or level of general working balances.

#### **7.0 OTHER DIFFERENCES**

Certain other transactions such as interest earned and paid, precept payments to other bodies etc. are not considered as part of the net cost of services and are required to be shown as separate items below service expenditure totals in the Income and Expenditure account. Similarly some Government Grants and Funding sources are required to be shown as overall general funding, rather than being included in the Income and Expenditure Statement as Service income.

**NORTH YORKSHIRE COUNTY COUNCIL****AUDIT COMMITTEE****22 JUNE 2017****CORPORATE GOVERNANCE****Report of the Corporate Director, Strategic Resources****1.0 PURPOSE OF REPORT**

- 1.1 To review the updated Local Code of Corporate Governance and recommend for collective approval by the Chief Executive, the Leader of the Council, the Executive Member for Central Services, the Corporate Director Strategic Resources and the Assistant Chief Executive (Legal and Democratic Services).
- 1.2 To note progress on other Corporate Governance related matters.

**2.0 BACKGROUND**

- 2.1 Previously, the Framework Delivering Good Governance in Local Government, published by CIPFA in association with SOLACE in 2007, set out the standard for local authority governance in the UK. CIPFA/SOLACE carried out a review of this Framework and Guidance during the last year and has consequently published an updated version called the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016.
- 2.2 According to the Terms of Reference of the Audit Committee, its role in respect of Corporate Governance is:
- (i) to assess the effectiveness of the authority's Corporate Governance arrangements
  - (ii) to review progress on the implementation of Corporate Governance arrangements throughout the authority
  - (iii) to approve the Annual Governance Statements for both the County Council and the North Yorkshire Pension Fund
  - (iv) to review the annual Statements of Assurance provided by the Chief Executive and Corporate Directors

- (v) to liaise, as necessary, with the Standards Committee on any matter(s) relating to the Codes of Conduct for both Members and Officers.

2.3 In relation to (i) and (ii) above, reports are submitted at regular intervals during the year as set out in the Programme of Work. Item (iii) is considered as part of the report relating to the Statement of Accounts, and for item (iv), Statements of Assurance are no longer produced as agreed by this Committee at the last meeting. Issues are addressed by the respective Corporate Director alongside a report on internal audit work relating to that Directorate which is produced by the Head of Internal Audit.

### **3.0 LOCAL CODE OF CORPORATE GOVERNANCE**

3.1 As reported to this Committee at the last meeting, following publication of the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016, the Council carried out a review of the changes as a consequence of this Framework, and has updated their compliance documentation including the Local Code and the Annual Governance Statement. This Framework applies to the financial year 2016/17 onwards.

#### **New 2016 Framework Principles**

- 3.2 The new 2016 Principles that are reflected in the Local Code with links to the Annual Governance Statement are as follows:
- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
  - B. Ensuring openness and comprehensive stakeholder engagement;
  - C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
  - D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
  - E. Developing the entity's capacity, including the capability of its leadership and the individuals within it;
  - F. Managing risks and performance through robust internal control and strong public financial management;

- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

To achieve good governance, each local authority should be able to demonstrate that its governance structures comply with the core and sub-principles contained in this Framework.

### **Changes to the Local Code**

- 3.3 The Local Code has been changed to represent the new Principles. Some of the contents of the existing Principles remain and there are two new ones namely:

- Determining the interventions necessary to optimise the achievement of the intended outcomes; and
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The two 'new' Principles contain many behaviours and actions that the Council have previously evidenced either as part of one of the existing Principles or as part of our work evidencing compliance with the CIPFA/SOLACE Statement on the Role of the Chief Financial Officer in Local Government.

### **The updated Local Code for North Yorkshire County Council**

- 3.4 The Local Code of Corporate Governance for the County Council is a statement of the principles that the County Council will apply in its corporate governance framework. It also describes key components of that framework and how they will be monitored and reviewed.
- 3.5 The Local Code is reviewed annually alongside the Annual Governance Statement (AGS). Whilst the AGS needs to be updated on an annual basis (see **paragraph 4** below), the simultaneous review of the Local Code ensures that key changes to the corporate governance framework (whether driven by external forces such as legislative changes or by internal factors) are reflected in the Local Code so that it is compatible with the AGS (which describes in detail the actual processes in place and the activity undertaken in the year relating to corporate governance).
- 3.6 A full review and update of the Local Code has been undertaken to reflect the changes in the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016 and can be seen at **Appendix A**.

- 3.7 Once approved by the Committee at this meeting, the Local Code will be referred collectively to the Chief Executive, the Leader of the Council, the Executive Member for Central Services, the Corporate Director Strategic Resources and the Assistant Chief Executive (Legal and Democratic Services) for formal approval, as stated in the Constitution.

#### **4.0 ANNUAL GOVERNANCE STATEMENT 2016/17**

- 4.1 The Annual Governance Statement (AGS) has been changed to align with the new Framework and Principles. It includes the key elements of governance arrangements to support the Council's vision for the area, outcomes and value for money. It also provides an assessment of the effectiveness of the Council's governance arrangements in supporting the planned outcomes. It accompanies the Statement of Accounts (SoA) and can be seen in the report shown as Statement of Accounts 2016/17.

#### **5.0 DEVELOPMENTS IN 2016/17**

- 4.1 Although the responsibility for managing the day to day aspects of the Corporate Governance agenda belong to the Executive and the Management Board, wider Members also have to be actively engaged – the role of this Committee is therefore critical in this regard.
- 4.2 This Committee receives progress reports on a range of specific governance issues such as risk management and information governance through the year.
- 4.3 A full review and update of the Local Code of Corporate Governance and the Annual Governance Statement have already been mentioned in the paragraphs above.
- 4.4 Other notable areas of recent work undertaken as part of the corporate governance agenda include the following:-
- ➔ carrying out a complete review of the Council Plan format which now states the County Council's wide ambitions, high level outcomes and priorities for the next 4 years
  - ➔ progressing issues relating to best practice documentation such as reviewing the effectiveness of the Audit Committee



- ➔ carrying out a review and restructure for procurement across the Council.
- ➔ continual refinement and implementation of governance arrangements for the 2020 North Yorkshire Programme.
- ➔ delivering MTFS and the longer term financial planning horizon beyond 2020.
- ➔ new online training package for equality matters
- ➔ increasing and unrelenting awareness on information security

## 5.0 CORPORATE GOVERNANCE CHECKLIST SUMMARY OF IMPROVEMENTS

- 5.1 The Corporate Governance Checklist is a self-assessment checklist and is in line with the 7 principles defined in the Local Code of Corporate Governance. The requirements of the document CIPFA Statement of the Role of the Chief Financial Officer in Local Government are also incorporated within the Checklist.
- 5.2 The Checklist is effectively a “live” document to monitor and review the overall Corporate Governance process within the County Council. Although a copy of the latest “version” is available to Members, a Summary is attached as **Appendix B** for ease of reference. This Summary shows:
- ➔ some of the improvements made in corporate governance between April 2016 and March 2017 in the left hand column.
  - ➔ reference to the requirements of the 6 (in 2016/17) principles defined in the Local Code of Corporate Governance on the right hand side.
  - ➔ some examples of improvements in corporate governance to be made between April 2017 and March 2018
- 5.3 Areas of development and / or improvement continue to be identified as a result of the need to comply with new guidance and requirements as they are published.
- 5.4 The Checklist is used by officers in order to provide some assurance that all relevant areas of governance are being adequately addressed and, where relevant, gaps are identified with consequential actions to fill such gaps.

## **6.0 RECOMMENDATIONS**

- 6.1 That the updated Local Code of Corporate Governance (**Appendix A**) be recommended for collective approval by the Chief Executive, the Leader of the Council, the Executive Member for Central Services, the Corporate Director Strategic Resources and the Assistant Chief Executive (Legal and Democratic Services).
- 6.2 That Members note the improvements that have been made, and that are to be made in corporate governance (**Appendix B**)

GARY FIELDING

Corporate Director, Strategic Resources, County Hall, Northallerton

June 2017

Report prepared by Fiona Sowerby, Corporate Risk and Insurance Manager, ext 2400

**Background papers:** None



**North Yorkshire**  
County Council

**Final DRAFT**

**Local Code of Corporate  
Governance**

**June 2017**

# Contents

<b>Section</b>		<b>Page</b>
1	Introduction	3
2	Policy Statement on Corporate Governance	4
3	The Seven Principles of Corporate Governance	4
4	Corporate Governance Arrangements	5
5	Monitoring, Reporting and Review	12
6	Contact details and further information	14
Appendix	Diagrammatic representation	15

## 1.0 INTRODUCTION

1.1 Corporate governance is the system by which a local authority directs and controls its functions and relates to the community it serves. It is therefore a framework of policies, management systems, procedures and structures that together, determine and control the way in which a local authority manages its business, determines its strategies and objectives, and sets about delivering its services to meet those objectives for the greater good of its community. This naturally extends to how the organisation accounts to, engages with and, where appropriate, leads its community.

1.2 On this basis, the principles of good corporate governance require a local authority to undertake its functions in a way that is completely open and inclusive of all sectors of the community, demonstrates the utmost integrity in all its dealings, and is fully accountable to the public it serves.

1.3 North Yorkshire County Council is committed to demonstrating good corporate governance. This Code sets out what the governance arrangements are, and who is responsible for them within the County Council. It also explains how the arrangements will be kept under review and monitored for compliance.

1.4 The Code also expresses how the County Council will seek to conduct its business in a way that demonstrates –

- **Openness and Inclusivity** – which is necessary to ensure that stakeholders can have confidence in the decision-making and management processes of the County Council, and the role of the Members and Officers therein. Being open through genuine consultation with stakeholders and providing access to full, accurate and clear information leads to effective and timely action and lends itself to necessary scrutiny. Openness also requires an inclusive approach, which seeks to ensure that all stakeholders, and potential stakeholders, have the opportunity to engage effectively with the decision-making processes and actions of the County Council. It requires an outward looking perspective and a commitment to partnership working, that encourages innovative approaches to consultation and to service provision
- **Integrity** – is necessary for trust in decision making and actions. It is based upon honesty, selflessness and objectivity, and high standards of propriety and probity in the stewardship of public funds and the management of the County Council's affairs. It is dependent on the effectiveness of the internal control framework and on the personal standards and professionalism of both Members and Officers. It is reflected in the County Council's decision-making procedures, in its service delivery and in the quality of its financial and performance reporting
- **Accountability** - is the process whereby Members and Officers within the County Council are responsible for their decisions and actions, including their stewardship of public funds and all aspects of performance, and submit themselves to appropriate external scrutiny. It is achieved by all parties having a clear understanding of those responsibilities, and having clearly defined roles expressed through a robust and resilient structure

## 2.0 POLICY STATEMENT ON CORPORATE GOVERNANCE

- 2.1 The Policy of the County Council is to incorporate the principles of Corporate Governance into all aspects of its business activities to ensure that stakeholders can have confidence in the decision-making and management processes of the authority, and in the conduct and professionalism of its Members, Officers and agents in delivering services. To this end, the County Council will report annually on its intentions, performance and financial position, as well as on the arrangements in place to ensure good governance is always exercised and maintained.
- 2.2 The principles set out in this Policy will also apply to the North Yorkshire Pension Fund. Any company in which the County Council has a substantive equity holding will also be expected to comply with these principles.

## 3.0 THE SEVEN PRINCIPLES OF CORPORATE GOVERNANCE

- 3.1 There are seven core principles that should underpin governance arrangements within a local authority. These are defined as follows –
- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
  - B. Ensuring openness and comprehensive stakeholder engagement
  - C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
  - D. Determining the interventions necessary to optimise the achievement of the intended outcomes
  - E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
  - F. Managing risks and performance through robust internal control and strong public financial management
  - G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability
- 3.2 This Code addresses these seven core principles and describes the systems and processes that support these in the County Council. In addition the Code reflects how the County Council addresses the requirements of the CIPFA Statement on the *Role of the Chief Financial Officer in Local Government* (2015)
- 3.3 The Code also explains how the County Council intends to monitor and review the corporate governance arrangements defined in this Code including compliance with the CIPFA Statement on the *Role of the Chief Financial Officer in Local Government* (2015).
- 3.4 A diagrammatic representation of how this Code fits into the management process of the County Council is attached as **Appendix A**.

#### 4.0 CORPORATE GOVERNANCE ARRANGEMENTS

##### **Core Principle A : Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

4.1 The County Council will conduct its activities in a manner which promotes high ethical standards and good behaviour which will foster openness, support and mutual respect. The following policies and protocols have been established and will be kept under review to assist the County Council in maintaining this culture:–

- Member and Officer Codes of Conduct
- Local / National Teachers' Code of Conduct
- Protocol on Officer/Member relations and communications
- Code of Conduct for Planning
- Ethical Behaviour Statements
  - Leader
  - Chief Executive
- Ethical Standards & Decision Making Training for Officers
- Member and Officer Registers of Interests
- Member and Officer Registers of Gifts and Hospitality
- ICT Code of Practice and Protocols on ICT use for Members and Officers
- Whistleblowing Policy
- Counter Fraud Strategy
- Anti-Money Laundering Policy
- Equality and Diversity Policy Statement
- Communication Strategy to support 2020 North Yorkshire
- Engagement Promise
- Partnership Governance guidance
- Procurement Strategy and training
- Information Governance Policy and Framework
- Corporate Complaints Procedure

4.2 In addition, the County Council will ensure that systems and processes for financial administration, financial control and protection of the authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice. This includes compliance with CIPFA's Statement on the *Role of the Chief Financial Officer in Local Government (2015)*.

4.3 The aim is to develop a set of shared values which will underpin an ethos of good governance. This will be further supported by compliance with legislation, Procedure Rules and all relevant professional standards.

- 4.4 The County Council has established a Standards Committee to discharge its responsibilities for promoting and maintaining high standards of Member conduct. The Standards Committee meets twice yearly and as required. It develops initiatives to promote high ethical standards, is involved in ensuring the training of all Members on standards, and determines any complaints that Members may have breached the Members' Code of Conduct referred to it by the Monitoring Officer. The Committee also has a role in assisting, where requested, in the designation and handling of persistent and/or vexatious complaints/complainants.
- 4.5 Where the County Council works in partnership it will continue to uphold its own ethical standards, as well as acting in accordance with the partnership's shared values and aspirations.

**Core Principle B : Ensuring openness and comprehensive stakeholder engagement**

- 4.6 The County Council will seek the views of its stakeholders and respond appropriately by:–
- clearly identifying its stakeholders, in order to ensure that relationships with these groups continue to be effective
  - maintaining effective channels of communication which reach all groups within the community and other stakeholders as well as offering a range of consultation methods; to this end the County Council has a Communications Strategy to support the 2020 North Yorkshire Programme and an Engagement Promise that are regularly reviewed and updated
  - publishing a Council Plan and an annual Statement of Final Accounts to inform stakeholders and services users of the previous year's achievements and outcomes
  - publishing a Medium Term Financial Strategy and consulting each year on the Annual Revenue Budget and its impact on Council Tax
  - providing a variety of opportunities for the public to engage effectively with the County Council including attending meetings, opportunity to ask questions at meetings, written consultations, surveys, web chats with Leader and Chief Executive
  - presenting itself in an open and accessible manner to ensure that County Council matters are dealt with transparently, in so far as the need for confidentiality allows
  - supporting these shared principles and the undertakings in the North Yorkshire Compact which provides a framework for local authorities and other public bodies to work together with the voluntary and community sector
  - having a Community Plan (also known as the Sustainable Community Strategy) in conjunction with local partners
  - maintaining a Citizens' Panel of around 2000 residents who are consulted twice a year on a wide range of service issues
  - maintaining a Freedom of Information Act Publication Scheme and arrangements to respond to requests for information from the public



- operating Access to Information Procedure Rules to ensure local people and stakeholders can exercise their rights to express an opinion on decisions, and can understand what decisions have been made and why
- ensuring the lawful and correct treatment of personal information through a Data Protection policy that follows the principles set out in the *Data Protection Act 1998*
- maintaining a County Council website that provides access to information and services and opportunities for public engagement

**Core Principle C : Defining outcomes in terms of sustainable economic, social, and environmental benefits**

4.7 The County Council will develop a clear vision and purpose, identify intended outcomes and ensure that these are clearly communicated to all stakeholders of the organisation, both internal and external. In doing so, the County Council will report regularly on its activities and achievements, and its financial position and performance.

4.8 The County Council will publish:-

- a Council Plan (updated annually)
- an annual Statement of Final Accounts together with the Annual Governance Statement and
- a Community Plan (also known as the Sustainable Community Strategy) in conjunction with local partners.

4.9 The County Council will keep its corporate strategies, objectives and priorities under constant review, so as to ensure that they remain relevant to the needs and aspirations of the community.

4.10 In undertaking all its activities, the County Council will aim to deliver high quality services which meet the needs of service users. Delivery may be made directly, via a subsidiary company, in partnership with other organisations, or by a commissioning arrangement. Measurement of service quality will also be a key feature of service delivery.

4.11 In addition, the County Council will continue to monitor the cost effectiveness and efficiency of its service delivery, as well as

- ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the County Council meets its policy and service objectives and provides effective stewardship of public money in its use
- ensure that the County Council maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action when necessary
- ensure compliance with CIPFA's Code on Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code

4.12 The County Council will monitor and regularly report on performance through the Performance Management Framework and system

4.13 The County Council will also seek to address any concerns or failings in service delivery by adhering to and promoting its Corporate Complaints Procedure.

**Core Principle D : Determining the interventions necessary to optimise the achievement of the intended outcome**

4.14 The County Council will observe this Principle through a combination of the following:

- having a formal Constitution which details the decision making processes and the procedures required to support the transparency and accountability of decisions made
- carrying out consultations to ensure a robust decision making process for service improvement or termination or otherwise, in order to prioritise competing demands within limited resources
- publishing a Council Plan which provides the key ambitions for the Council, key strategies, high level outcomes and priorities for the next 4 years
- publishing an annual Statement of Final Accounts including an Annual Governance Statement to inform stakeholders and services users of the previous year's achievements and improvements for the following year
- having a Community Plan (also known as the Sustainable Community Strategy) in conjunction with local partners
- establishing a medium term business and financial planning process to deliver strategic objectives which is reviewed regularly
- maintaining an effective Performance Management Strategy and system
- having a Staff Engagement Strategy
- having a Communications Strategy to support the 2020 North Yorkshire Programme

**Core Principle E : Developing the entity's capacity, including the capability of its leadership and the individuals within it**

4.15 The County Council is continually seeking to develop the capacity and capability of the Council itself, and both its Members and Officers in recognition that the people who direct and control the organisation must have the right skills. This is achieved through a commitment to training and development, as well as recruiting senior officers with the appropriate balance of knowledge and experience. The County Council aims to achieve this by:-

- carrying out a regular LGA Peer Review
- maintaining Partnership Governance procedures and guidance, and carrying out regular reviews of partnerships and their outcomes
- organising Member and employee induction programmes

- continuing with further organisational development under the 2020 North Yorkshire Programme by promoting the 3 core elements of engagement, innovation and leadership
- maintaining an effective Performance Management Strategy and system
- continuing to develop a Workforce Plan that addresses issues such as recruitment, succession planning, flexible working and other people management issues
- carrying out regular appraisals which incorporate service improvement and personal development plans
- providing career structures to encourage staff development
- regularly reviewing job descriptions and person specifications and using these as the basis for recruitment
- encouraging a wide variety of individuals and organisations to participate in the work of the County Council
- ensuring regular review and improvement of the Employee Assistance Programme which includes health assessments, counselling, emotional support and fitness advice.

4.16 To ensure compliance with the CIPFA Statement in the *Role of the Chief Financial Officer* the County Council will:-

- ensure the CFO has the skills, knowledge, experience and resources to perform effectively in both the financial and non-financial areas of his role
- review the scope of the CFO's other management responsibilities to ensure financial matters are not compromised
- provide the finance function with the resources, expertise and systems necessary to perform its role effectively
- embed financial competencies in person specifications and appraisals
- ensure that Members' roles and responsibilities for monitoring financial performance / budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities

**Core Principle F : Managing risks and performance through robust internal control and strong public financial management**

4.17 The County Council observes this Principle through a combination of the following:

- a Risk Management Policy and Strategy have been in place for many years and are reviewed and updated in line with current guidance and best practice on a regular basis

- there is a reporting and monitoring framework for communicating risks (eg Corporate Risk Management Group / Directorate Risk Management Group / Mgt teams)
- decision making is supported through risk registers at Corporate, Directorate and Service levels as well as one off major projects
- Risk Registers include consideration of objectives and contribute to service plans
- there is a Corporate Performance Management Strategy and system
- the Executive is supported at all times by professional advice that addresses all relevant legal, financial, risk and resourcing issues. Risk management processes operate so as to ensure that the risk and impact of decisions are fully assessed
- there is an assessment for Value for Money Conclusion in the Annual Accounts
- there are regular quarterly Performance / Financial reports to Executive & Scrutiny Board
- there is a year-end report on Performance / Financial out-turn to Executive & Scrutiny Board
- there is comprehensive recording of all decisions taken and the reasons for those decisions
- there is an effective scrutiny function and framework, supported by named officers, that enables decisions by the Executive to be challenged or influenced by the rest of the County Council's Members
- there is compliance with the *Code of Practice on Managing the Risk of Fraud and Corruption* (CIPFA 2014) through a Counter Fraud Policy and Strategy including a Fraud Prosecution Policy, and an Anti-Money Laundering Policy and Procedures
- there is an Annual Governance Statement which is updated and forms part of the annual Statement of Final Accounts
- the Audit Committee includes independent co-opted members
- there is an Information Governance Policy, Framework and Procedures (including data protection)
- an Information Sharing Protocol and individual agreements are active with many partners
- there is an Audit Charter with an adequately resourced internal audit and counter fraud function
- ensures that its governance arrangements allow the CFO direct access to the Audit Committee and External Auditor
- ensures the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the County Council
- ensures the County Council's governance arrangements allow the CFO to bring influence to bear on all material decisions

- ensures that advice is provided on the levels of reserves and balances in line with good practice guidance
- the County Council's arrangements for financial and internal control and for managing risk are addressed in annual governance reports
- the County Council puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes

**Core Principle G : Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

4.18 The County Council observes this Principle through a combination of the following:-

- maintaining a County Council website that provides access to information and services and opportunities for public engagement
- all meetings of the Council and its Committees are open to the public (except where, for example, personal or confidential matters are being discussed) and published on the website
- having a formal Constitution which details the decision making processes and the procedures required to support the transparency and accountability of decisions made
- an Engagement Promise setting out in simple terms how everyone who lives or works in the county, or uses the County Council's services can influence decisions
- a properly constituted Standards Committee, an Audit Committee with a number of independent co-opted members and an effective scrutiny function
- there is an Audit Charter with an adequately resourced internal audit and counter fraud function
- ensure that its governance arrangements allow the CFO direct access to the Audit Committee and External Auditor
- ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority
- ensure the County Council's governance arrangements allow the CFO to bring influence to bear on all material decisions
- ensure that advice is provided on the levels of reserves and balances in line with good practice guidance
- ensuring the County Council puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes
- ensuring the County Council's arrangements for financial and internal control and for managing risk are addressed in annual governance reports

- publishing an annual Statement of Final Accounts together with the Annual Governance Statement which will show any significant improvements required.
- ensuring compliance with *CIPFA's Statement on the Role of the Head of Internal Audit (2010)*
- ensuring compliance with Public Sector Internal Audit Standards
- considering and implementing LGA Peer Review recommendations
- having a Community Plan (also known as the Sustainable Community Strategy) in conjunction with local partners

## 5.0 MONITORING, REPORTING AND REVIEW

5.1 Ensuring good corporate governance is the responsibility of the whole Council. However to formalise the process, the County Council has two Committees that are primarily responsible for monitoring and reviewing the adequacy of the corporate governance arrangements referred to in this Local Code –

- the Audit Committee
- the Standards Committee

The two committees liaise on any issue of Corporate Governance that may be of legitimate common concern to both.

5.2 The Audit Committee is independent of both the Executive and Scrutiny, and has wide ranging responsibilities in relation to audit, information governance, counter fraud, risk management, treasury management, financial and performance reporting, as well as overall corporate governance. The Committee's terms of reference are set out in the Constitution and its principal objectives are to ensure that the County Council manages its risks appropriately and maintains an adequate and effective system of internal control. The Committee meets up to five times a year and includes up to three co-opted external Members.

5.3 The Standards Committee currently meets twice yearly and as required to promote and maintain high standards of conduct by Councillors and co-opted Members of the Council. The Committee provides advice and support to the Council and its members on the Council's Members' Code of Conduct and related ethical issues such as membership of outside bodies and Member/officer relations. Additionally, Standards Committee Members participate in training sessions and the Committee determines any complaints that Members may have breached the Members' Code of Conduct referred to it by the Monitoring Officer. The Committee also has a role in assisting, where requested, in the designation and handling of persistent and/or vexatious complaints/complainants. The Committee is attended by independent persons, as well as County Council Members.

5.4 Further to the two Committees referred to above, the County Council has also established:

- a Corporate Governance Officer Group of senior officers, chaired by the Corporate Director – Strategic Resources, which is responsible for overseeing the delivery of an integrated programme of work to support the development of

robust corporate governance arrangements, and to keep implementation of such arrangements under on-going review. In particular, this Group monitors the Self-Assessment Checklist that maps, and monitors, all governance activity within the County Council against all published Best Practice Guidelines

- a Corporate Information Governance Group, also chaired by the Corporate Director – Strategic Resources. This Group addresses the various challenges of Information Governance including the development and maintenance of a Framework for Information Governance which comprises a suite of relevant policies, protocols and guidance notes

5.5 The County Council is required to undertake an annual review of the effectiveness of its system of internal control (as required by *Regulation 6 of the Accounts and Audit Regulations (2015)*). This review seeks to –

- identify principal risks to the achievement of County Council objectives
- identify and evaluate key controls to manage principal risks
- obtain assurances of the effectiveness of key controls
- evaluate assurances and identify gaps in control/assurances

This review is overseen by the Audit Committee and is part of the preparatory process for the Annual Governance Statement (see **paragraph 5.8** below). The Audit Committee receives assurance from various sources regarding the adequacy of the internal control environment and overall corporate governance arrangements, including from the Head of Internal Audit.

5.6 Additionally, compliance with the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government* is reviewed annually by the Audit Committee.

5.7 Finally, annual reports are produced and published by:

- the Audit Committee Chair
- the Standards Committee Chair

### **The Annual Governance Statement**

5.8-Following the annual review of effectiveness of the system of internal control an Annual Governance Statement (AGS) will be published to accompany the Statement of Final Accounts for the County Council. The AGS will provide an overall assessment of the corporate governance arrangements in the County Council.

5.9 To reflect the County Council's commitment to the continuous improvement of its system of internal control, progress to address weaknesses is drawn up in response to any significant control weaknesses identified in the AGS. A follow up process is then overseen by the Corporate Governance Officer Group to ensure continuous improvement of the system of corporate governance. The Audit Committee monitors progress to address weaknesses every six months.

### **Review of this Code**

5.10 A review of this Code will be undertaken annually alongside the preparation of the AGS.

## 6.0 CONTACT DETAILS AND FURTHER INFORMATION

6.1 Further details of the County Council's Corporate Governance arrangements can be obtained on the County Council's website [www.northyorks.gov.uk](http://www.northyorks.gov.uk) or by contacting the Corporate Director – Strategic Resources (**see below**).

6.2 Finally, if you have any concerns about the way in which the County Council, its Members, Officers or agents conduct its business, or believe that elements of this Code are not being complied with, please contact one of the following Officers as appropriate. Your enquiry will be treated confidentially, and a response made following investigation of the facts in each case.

**(i) Chief Executive (Head of Paid Service)**

Richard Flinton  
North Yorkshire County Council  
County Hall  
Northallerton  
North Yorkshire DL7 8AL  
Tel: 01609 532444 E-mail: [richard.flinton@northyorks.gov.uk](mailto:richard.flinton@northyorks.gov.uk)

**(ii) Corporate Director – Strategic Resources (Section 151 Officer)**

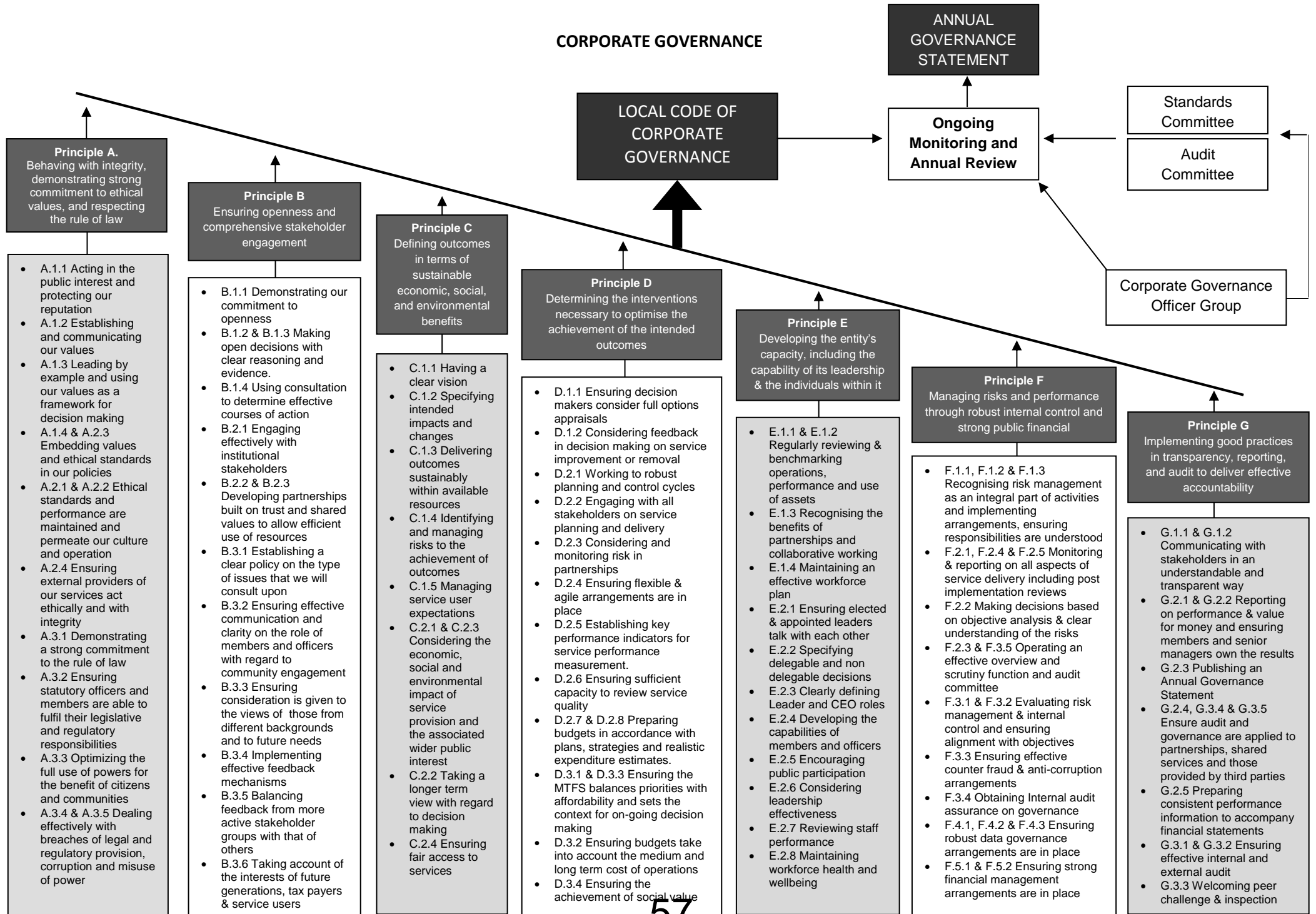
Gary Fielding  
Corporate Director – Strategic Resources  
North Yorkshire County Council  
Racecourse Lane  
Northallerton  
North Yorkshire DL7 8AL  
Tel 01609 533304 E-mail [gary.fielding@northyorks.gov.uk](mailto:gary.fielding@northyorks.gov.uk)

**(iii) Assistant Chief Executive (Legal and Democratic Services)  
(Monitoring Officer)**

Barry Khan  
Legal and Democratic Services  
North Yorkshire County Council  
Racecourse Lane  
Northallerton DL7 8AL  
Tel 01609 532173 E-mail [barry.khan@northyorks.gov.uk](mailto:barry.khan@northyorks.gov.uk)



**CORPORATE GOVERNANCE**



## CORPORATE GOVERNANCE CHECKLIST

Examples of Improvements made **between April 2016 and March 2017**

Improvements	Reference	Requirement
	<b>Principle 1</b>	<b>Focusing on the purpose of the authority and on outcomes for the community and create and implementing a vision for the local area</b>
<ul style="list-style-type: none"> <li>• Council Plan format completely reviewed to show Council wide ambitions, high level outcomes and priorities for next 4 years (NI)</li> <li>•</li> </ul>	1.1.1 now C.1.1	Develop and promote the authority's purpose and vision
<ul style="list-style-type: none"> <li>• Recommendations and considerations from corporate peer review carried out (RF)</li> </ul>	1.1.2 now C.1.2	Review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements
<ul style="list-style-type: none"> <li>• Review of performance management framework and development of corporate performance, data and intelligence support carried out (GF)</li> </ul>	1.2.1 Now C.2.1	Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available
<ul style="list-style-type: none"> <li>• Structure and functions of traded operations within the Council (SmartSolutions) reviewed (GF)</li> </ul>	1.3 Now C.2.3	Ensuring that the authority makes best use of resources and that taxpayers and service users receive excellent value for money
	<b>Principle 2</b>	<b>Members and officers working together to achieve a common purpose with clearly defined functions and roles</b>
<ul style="list-style-type: none"> <li>• Community Engagement guidelines and toolkit reviewed and revised (NI)</li> </ul>	2.3.4 No particular one	Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated

Improvements	Reference	Requirement
<ul style="list-style-type: none"> <li>•</li> </ul>	<b>Principle 3</b>	<b>Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour</b>
<ul style="list-style-type: none"> <li>• Training for Members on Registration of Interests carried out (BK)</li> <li>• Standards refresher training Standards Committee Members carried out (BK)</li> <li>• Amalgamated Whistleblowing policy (including schools) established under the Public Interest Disclosure Act 1998 and regularly publicised and updated (MT )</li> <li>• New online training package for staff re paying due regard to equality, undertaking EIAs etc plus the way cumulative equality impact is considered has been reviewed and improved. (NI)</li> </ul>	3.1.2 <span style="background-color: green; color: black;">[REDACTED]</span>	Ensure that standards of conduct and personal behaviour expected of Members and staff, of work between Members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols
<ul style="list-style-type: none"> <li>• Adequate governance is ensured around County Council owned companies – CPRs in place, register of interests for conflict situations (GF/BK)</li> </ul>		Decide where this goes From new CFO (Principle 1) B.2.2 and D.2.3, does this map better to 4.3.1?
	<b>Principle 4</b>	<b>Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</b>
<ul style="list-style-type: none"> <li>• Ongoing assessment of risks to inform the decision making process (FS/GF)</li> </ul>	4.3.1 <span style="background-color: green; color: black;">[REDACTED]</span> <span style="background-color: green; color: black;">[REDACTED]</span>	Ensure that risk management is embedded into the culture of the authority, with Members and managers at all levels recognising that risk management is part of their job

Improvements	Reference	Requirement
	<b>Principle 5</b>	<b>Developing the capacity and capability of members and officers to be effective</b>
<ul style="list-style-type: none"> <li>Further Member seminars to inform on topical issues carried out (BK)</li> </ul>	5.2.1 Now E.2.4	Assess the skills required by Members, officers and managers and make a commitment to develop those skills to enable roles to be carried out effectively
	<b>Principle 6</b>	<b>Engaging with local people and other stakeholders to ensure robust public accountability</b>
<ul style="list-style-type: none"> <li>Arrangements for future delivery of library service formalised and arranged with Local Communities (Julie B)</li> </ul>	6.2.3 Now B.2.3	Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users including a feedback mechanism for those consultees to demonstrate what has changed as a result.
<ul style="list-style-type: none"> <li>Most relevant Partners have signed up to an agreed multi agency data sharing protocol (MT)</li> </ul>	6.2.5 Now B.2.3	Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.
<ul style="list-style-type: none"> <li>Staff survey outcomes implemented through Organisational Development programme (JB)</li> </ul>	6.3.1 Now D.2.2?	Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making

## Examples of Improvements to be made between April 2017 and March 2018

**Commented [NI1]:** Online training package on consultation law and good practice – Sept 2017  
See in principle B

Improvements	Reference	Requirement
	<b>Principle A</b>	<b>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>
<ul style="list-style-type: none"> <li>Further review and implement an electronic Member Register of Interests (BK) Dec 2017</li> <li>Review and implement an electronic Officer Register of Interests (BK) Dec 2018</li> <li>Review and distribute a decision making guidance note (BK) Mar 2017</li> <li>Develop and implement an Officers on line learning and training package on decision making (BK) Dec 2017</li> </ul>	A1.1	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.
<ul style="list-style-type: none"> <li>Carry out induction training for Members following Elections (BK) May 2017</li> </ul>	A2.2	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation
<ul style="list-style-type: none"> <li>Carry out review of Code of Conduct for Planning (BK) Mar 2018</li> <li>Review, revise and gain approval of the Procurement Strategy (GF) May 2017</li> </ul>	A2.3	Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values
	<b>Principle B</b>	<b>Ensuring openness and comprehensive stakeholder engagement</b>
<ul style="list-style-type: none"> <li>Put in place a process for co-ordinating and responding to Subject Access Requests (MT) Sept 2017</li> <li>Develop an on line training package for consultation law and good practice (NI) Sept 2017</li> </ul>	B1.1	
	Decide and include there	

**Commented [FS2]:** NI Where in the doc should this go?

Appendix B

Improvements	Reference	Requirement
<ul style="list-style-type: none"> <li>• Create a shareholder group (GF/BK) ??</li> <li>• Appoint Chief Financial Officers (GF) ??</li> <li>• Carry out training for Directors of companies (BK) ??</li> </ul>	CFO (Principle 1) B.2.2	Review partnership arrangements to ensure that the authority always has access to financial advice in relations to its role in partnership.
<ul style="list-style-type: none"> <li>• Carry out a light touch audit to review the completeness of compliance with data transparency regulations (NI/MT) March 2018</li> </ul>	B.3.2	Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement
	<b>Principle C</b>	<b>Defining outcomes in terms of sustainable economic, social, and environmental benefits</b>
<ul style="list-style-type: none"> <li>• Review and revise the corporate Performance Framework and develop and produce more effective reporting (GF) March 2018</li> </ul>	C.1.3	Delivering defined outcomes on a sustainable basis within the resources that will be available
	<b>Principle D</b>	<b>Determining the interventions necessary to optimise the achievement of the intended outcomes</b>
<ul style="list-style-type: none"> <li>• <a href="#">More consistency in strategy, performance, data and intelligence</a></li> <li>• <a href="#">Developing service and team plans</a></li> <li>• <a href="#">Corporate performance support</a></li> <li>• Corporate Response to stakeholders <a href="#">when consulting</a></li> <li>• <a href="#">Dashboard with realtime service data</a></li> </ul>		
	<b>Principle E</b>	<b>Developing the entity's capacity, including the capability of its leadership and the individuals within it</b>
<ul style="list-style-type: none"> <li>• Review training and development needs for Members (BK) 2017</li> </ul>	E.2.6	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections

Commented [FS3]: Probably put in D after review with GaryF

Improvements	Reference	Requirement
	<b>Principle F</b>	<b>Managing risks and performance through robust internal control and strong public financial management</b>
<ul style="list-style-type: none"> <li>Continue to expand the number of Data Sharing Agreements and review suitable products for conversion to an on-line platform (MT) Dec 2017</li> </ul>	F.4.2	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies
	<b>Principle G</b>	<b>Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b>
<ul style="list-style-type: none"> <li>Carry out a review of effectiveness of the Audit Committee (GF/MT)</li> </ul>	CFO Principle 3 G.3.2a	Ensure an effective internal audit function is resourced and maintained
<ul style="list-style-type: none"> <li>Review of future reporting arrangements as part of the upgrade of financial systems (GF)</li> </ul>	CFO Principle 2 G.2.1	Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority and that these cover the services provided through partnership and alternative delivery models
<ul style="list-style-type: none"> <li></li> </ul>		
<ul style="list-style-type: none"> <li></li> </ul>		

Improvements	Reference	Requirement
•		



**NORTH YORKSHIRE COUNTY COUNCIL****AUDIT COMMITTEE****22 JUNE 2017****ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT****1.0 PURPOSE OF THE REPORT**

- 1.1 To provide a summary of the internal audit work performed during the year ended 31 March 2017 and to express an opinion on the overall framework of governance, risk management and control in place within the County Council.
- 1.2 To provide Members with details of breaches to Finance, Contract and Property Procedure Rules identified during 2016/17 audit work.
- 1.3 To consider the Internal Audit performance outturn for 2016/17 and the 2017/18 performance targets for Veritau.
- 1.4 To inform Members of Veritau's conformance to professional standards and the conclusions arising from the Quality Assurance and Improvement Programme.
- 1.5 To approve changes to the County Council's Audit Charter.

**2.0 BACKGROUND**

- 2.1 The work of internal audit is governed by the Accounts and Audit Regulations 2015, relevant professional standards and the County Council's Internal Audit Charter. Since April 2013, the applicable standards for local government have been the Public Sector Internal Audit Standards (PSIAS). These comply with the international standards issued by the global Institute of Internal Auditors (IIA). As well as providing a definition of internal auditing, the PSIAS detail the Code of Ethics for internal auditors and provide quality criteria against which performance can be evaluated. Since the standards were adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) has also issued further guidance in the form of an application note. The application note includes a checklist to assist internal audit practitioners to review and update working practices.
- 2.2 To comply with the Standards, the Audit Committee approved an Audit Charter which sets out the purpose, authority and responsibility of internal audit. The Audit Charter also defined certain elements of the internal audit framework including the 'board', 'senior management' and the 'chief audit executive', as follows:

'Board' – was defined as the Audit Committee (given its responsibilities in relation to internal audit standards and activities);

‘Senior Management’ – was defined as the Corporate Director - Strategic Resources in his role as S151 officer. In addition, senior management may also refer to the Management Board or the Chief Executive and/or any other Corporate Director;

‘Chief audit executive’ – was defined as the Head of Internal Audit (Veritau).

- 2.3 An updated version of the PSIAS has recently been published to reflect changes made to the International Professional Practices Framework (IPPF) by global IIA. The changes are relatively minor in nature and mostly consist of further clarification. However, a number of changes are now required to the Internal Audit Charter. The revised Audit Charter with tracked changes is therefore attached as **Appendix 1**.
- 2.4 In accordance with the Standards, the Head of Internal Audit is required to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control operating within the County Council. The Head of Internal Audit should also contribute to the preparation of the Annual Governance Statement by identifying any significant control issues identified during the course of audit work, and report any breaches of the County Council’s Finance, Contract and Property Procedure Rules to the Audit Committee.
- 2.5 The Head of Internal Audit is also required to develop and maintain an ongoing quality assurance and improvement programme (QAIP). The objective of the QAIP is to ensure that working practices continue to conform to the required professional standards. The results of the QAIP should be reported to senior management and the Audit Committee along with any areas of non-conformance with the Standards. The QAIP consists of various elements, including:
- maintenance of a detailed audit procedures manual and standard operating practices
  - ongoing performance monitoring of internal audit activity
  - regular customer feedback
  - training plans and associated training and development activities
  - periodic self-assessments of internal audit working practices (to evaluate conformance to the Standards).

In addition, a formal external assessment must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.

- 2.6 The results of customer feedback and the self-assessment are used to identify any areas requiring further development and/or improvement. Any specific changes or improvements are included in the annual Improvement Action Plan. Specific actions may also be included in the Veritau business plan and/or individual personal development action plans.
- 2.7 Audit work was undertaken across all of the County Council’s services and activities in accordance with the approved Internal Audit Plan for 2016/17. The findings have been reported to this Committee in accordance with the following cycle:-

June 2016

Children & Young People’s Services

September 2016	Health and Adult Services Computer audit, corporate themes and contracts
December 2016	Business and Environmental Services
March 2017	Central Services Counter fraud matters

2.8 In each of the above reports, with the exception of the report on counter fraud matters, the Head of Internal Audit provided an opinion on the control arrangements within the particular functional area or directorate.

### 3.0 **WORK COMPLETED IN 2016/17**

3.1 During 2016/17, Veritau has been responsible for evaluating the adequacy and effectiveness of the County Council's control environment, promoting counter fraud arrangements, and providing advice and making recommendations to management to improve controls and/or to address the poor or inappropriate use of resources. Veritau completed 95% of the Internal Audit Plan against an agreed performance target of 93%. The overall opinions provided to this Committee, at meetings between June 2016 and March 2017, are detailed in **Appendix 2**.

3.2 The results of completed audit work have been reported to the relevant service managers, the Corporate Director – Strategic Resources and the Audit Committee. Audit findings relating to 2016/17, which have not yet been reported to this Committee, will be presented in due course as part of the agreed Audit Committee programme of work. On the basis of the follow up work undertaken during the year, satisfactory progress has been made by management to address identified control weaknesses. Outstanding actions continue to be monitored and in most cases progress is considered to be acceptable.

3.3 As previously reported, Veritau has been involved in a number of investigations into suspected fraud and corruption. These investigations have been carried out in response to concerns raised by management or through the whistleblowing reporting system. Further proactive work has also been carried out to address a number of specific fraud risks. The Fraud and Loss Risk Assessment and Money Laundering Policy were updated during the year and a campaign to raise awareness of the Whistleblowing Policy was completed. In addition, Veritau has continued to issue alerts to service managers and schools to draw attention to potential fraud risks and scams.

3.4 The Information Governance Team (IGT) co-ordinates all requests for information and provides advice and guidance on the application of information related legislation (including the Data Protection and Freedom of Information Acts). A total of 1,302 Fol requests were received during 2016/17, compared to 1,267 in 2015/16. This represents an increase of 2.8% over the previous year and continues the upward trend in such requests. 19 Fol reviews were also completed in the year. In addition, the IGT coordinates the County Council's response to subject access requests and complaints to the Information Commissioner's Office (ICO). During 2016/17, the team handled 199 subject access requests and 8 ICO complaints.

- 3.5 The IGT has also continued to help develop the County Council's information governance policy framework. As the County Council's Senior Information Risk Owner, the Corporate Director – Strategic Resources, has continued to chair the Corporate Information Governance Group (CIGG), which meets on a regular basis. CIGG has addressed new and emerging issues during the year as well as coordinating the development of the IG policy framework. In addition, Veritau's auditors have continued to undertake unannounced visits to County Council offices and establishments in order to test understanding and compliance with the policy framework. As previously reported, these visits have found a variety of potential data security risks. The results have been reported to CIGG and the relevant management.
- 3.6 To assist in the development and maintenance of the County Council's governance arrangements, Veritau's auditors meet with the S151 Officer, Monitoring Officer and other senior officers on a regular basis to identify and address key governance issues and concerns.
- 4.0 **INTERNAL AUDIT PERFORMANCE MANAGEMENT**
- 4.1 Despite the challenging climate, Veritau has continued to deliver cost effective internal audit, counter fraud and information governance services to the County Council and the other member councils together with a number of other public sector bodies. These services continue to be valued by the company's clients particularly at a time of significant change.
- 4.2 The Veritau group achieved a combined operating profit before tax in 2016/17. Investment in new services and initiatives has also continued, particularly in respect of counter fraud and data analytics.
- 4.3 **Appendix 3** details performance against the targets set by the County Council for 2016/17. **Appendix 4** sets out the targets for Veritau for 2017/18.
- 5.0 **BREACHES OF FINANCE, CONTRACT AND PROPERTY PROCEDURE RULES**
- 5.1 As in previous years, the majority of identified breaches relate to the Contract Procedure Rules. Details of those breaches identified through internal audit work during 2016/17 are shown in **Appendix 5**.
- 5.2 It should be noted that some of the variations in the type and number of breaches identified between the years can be attributed to the fact that audit work will focus on different risk areas each year. In addition, the content of the various Procedure Rules does not remain the same and new rules are introduced whilst others are amended or deleted.
- 5.3 Where breaches are identified, it is usually sufficient to draw the matter to the attention of management for the appropriate remedial action to be taken. If a wider training need is identified this will be addressed accordingly. Finally in those cases where the breach identifies a fundamental weakness/deficiency in the relevant Procedure Rule this will be addressed separately as part of the ongoing review process for all the County Council's Procedure Rules.

5.4 There were no significant breaches of the Finance Procedure Rules although a number of relatively minor breaches were noted. Examples of typical errors included:

- Inappropriate authorisation of orders and payments;
- Inadequate checking of creditor invoices, mileage claims, residents' money and payroll records;
- Poor record keeping to evidence income received and accruals;
- Ineffective budgetary control procedures and reconciliations not being completed adequately.

5.5 There were no breaches of Property Procedure Rules identified during the year.

## 6.0 **QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME (QAIP)**

6.1 As noted above, Veritau maintains a quality assurance and improvement programme (QAIP) to ensure that internal audit work is conducted to the required professional standards. As well as undertaking an annual survey of senior management in each client organisation and completing a detailed self assessment to evaluate performance against the Standards, the service is also subject to a periodic external assessment. The last assessment was conducted by the South West Audit Partnership (SWAP) and completed in April 2014. The results of the assessment provide evidence to support the QAIP as well as helping to inform the Improvement Action Plan.

6.2 The outcome of the QAIP demonstrates that the service conforms to *International Standards for the Professional Practice of Internal Auditing*. Further details of the QAIP and Improvement Action Plan prepared by Veritau are given in **Appendix 6**.

## 7.0 **2016/17 AUDIT OPINION**

7.1 As part of the annual report, the Head of Internal Audit is required to provide:

- (a) details of the scope of the work undertaken and the time period to which the opinion refers (together with disclosure of any restrictions in the scope of that work)
- (b) a summary of the audit work from which the opinion is derived (including details of the reliance placed on the work of other assurance bodies)
- (c) an opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (ie the control environment)
- (d) disclosure of any qualifications to that opinion, together with the reasons for that qualification
- (e) details of any issues which the Head of Internal Audit judges are of particular relevance to the preparation of the Annual Governance Statement
- (f) a statement on conformance with the PSIAS and the results of the internal audit Quality Assurance and Improvement Programme.

7.2 The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating within the County Council is that it provides

**Substantial Assurance.** There are no qualifications to this opinion. The only reliance placed on the work of other assurance bodies in reaching this opinion related to computer audit work, which was undertaken on behalf of Veritau by Audit North. In giving this opinion Members attention is drawn to the following significant control issues which were identified during the year and considered for possible inclusion in the 2016/17 Annual Governance Statement:

- **Information security**

Further improvements are required to ensure compliance with the Council's policies for recording, processing, storing and transmitting personal and sensitive information. Whilst the overall governance framework has been strengthened and this area continues to be a focus for management attention, compliance is still not uniform across the Council. Recent audit work has identified some continuing poor practice with the handling of documents and information security. This has included sensitive information being left out, pedestals and cabinets being left unlocked and laptops left unsecured. A number of serious breaches have also occurred during the year including three incidents which needed to be reported to the Information Commissioner's Office. The number and type of breaches suggests further improvement is still required.

- **Payment Card Industry Data Security Standard (PCI DSS)**

The Payment Card Industry Data Security Standard (PCI DSS) is an international standard mandated by the five major card issuing organisations. All 'merchants', regardless of their size or the value / volume of transactions being processed, need to be PCI DSS compliant. Whilst the Council is aware of the standard and recognises the need to be complaint, there are gaps in the current arrangements. Key issues to address include allocating responsibility for ensuring compliance, mapping all processes and systems which may be subject to the PCI DSS, developing relevant policies and procedures, training staff and completing the annual self-assessment questionnaire.

- **Access to IT systems by volunteers and other non-NYCC employees**

Whilst the council has created specific policies and confidentiality agreements for non-NYCC users, there are a number of weaknesses with the current arrangements for controlling access to data and systems. The policy and confidentiality agreement lack clarity, there is no guidance for managers to determine appropriate levels of access, information security training is not mandatory, and accounts are not being disabled / deleted when no longer required.

- **Contracting (HAS)**

A social care contract was allowed to be rolled forward for over 10 years. A smaller related contract with the same provider has also been rolled forward. The contracts were last rolled forward in April 2015 (for a further 3 years). Five other similar contracts were rolled forward at the same time. There was also a lack of effective contract monitoring.

- **Highfield House Data Centre**

The audit identified a number of problems with the physical and environmental security controls protecting the IT hardware located at Highfield House, Ripon. The Council subsequently re-located the servers to the main computer facility at County Hall.

## 8.0 **RECOMMENDATIONS**

### 8.1 Members are asked to:-

- (i) note the overall “Substantial Assurance” opinion of the Head of Internal Audit regarding the overall framework of governance, risk management and control operating within the County Council
- (ii) note the outcome of the quality assurance and improvement programme and the confirmation that the internal audit service conforms with the Public Sector Internal Audit Standards
- (iii) note the breaches to Contract and Finance Procedure Rules and the actions taken to address these matters.
- (iv) note the performance outturn for 2016/17 and the corresponding performance targets for Veritau for 2017/18.
- (v) approve the proposed changes to the Internal Audit Charter

MAX THOMAS  
Head of Internal Audit

Report prepared and presented by Max Thomas, Head of Internal Audit

Veritau Ltd  
Assurance Services for the Public Sector  
County Hall  
Northallerton

1 June 2017

# North Yorkshire County Council Internal Audit Charter

~~223~~ June 201~~7~~6



## 1 Introduction

- 1.1 There is a statutory duty on the County Council to undertake an internal audit of the effectiveness of its risk management, control and governance processes. The Accounts and Audit (England) Regulations 2015 also require that the audit takes into account public sector internal auditing standards or guidance. The Chartered Institute of Public Finance and Accountancy (CIPFA) is responsible for setting standards for proper practice for local government internal audit in England.
- 1.2 From 1 April 2017<sup>6</sup> CIPFA adopted revised Public Sector Internal Audit Standards (PSIAS)<sup>1</sup> compliant with the Institute of Internal Auditors' (IIA) International Standards. The PSIAS and CIPFA's local government application note for the standards represent proper practice for internal audit in local government. This charter sets out how internal audit at North Yorkshire County Council will be provided in accordance with this proper practice.
- 1.3 This charter should be read in the context of the wider legal and policy framework which sets requirements and standards for internal audit, including the Accounts and Audit Regulations, the PSIAS and application note, and the County Council's constitution, regulations and governance arrangements.

## 2 Definitions

- 2.1 The standards include reference to the roles and responsibilities of the "board" and "senior management". Each organisation is required to define these terms in the context of its own governance arrangements. For the purposes of the PSIAS these terms are defined as follows at the County Council.

"Board" – the Audit Committee fulfils the responsibilities of the board in relation to internal audit standards and activities.

"Senior Management" – in the majority of cases, the term senior management in the PSIAS should be taken to refer to the Corporate Director – Strategic Resources in his role as s151 officer. This includes all functions relating directly to overseeing the work of internal audit. In addition, senior management may also refer to the Chief Executive and/or any other Corporate Director (acting individually) or collectively as the County Council's Management Board in relation to:

- enabling direct and unrestricted access for reporting purposes
- consulting on risks affecting the County Council for audit planning purposes
- approving the release of information arising from audit work to any third party.

---

<sup>1</sup> The PSIAS were adopted jointly by relevant internal audit standard setters across the public sector.

2.2 The standards also refer to the “chief audit executive”. This is taken to be the Head of Internal Audit (Veritau).

### **3 Application of the standards**

3.1 In line with the PSIAS, the mission of internal audit at the County Council is:

“To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.”

3.2 The County Council requires that the internal audit service aspires to achieve the mission through its overall arrangements for delivery of the service. In aiming to achieve this, the council expects that the service:

- demonstrates integrity
- demonstrates competence and due professional care
- is objective and free from undue influence (independent)
- aligns with the strategies, objectives, and risks of the organisation
- is appropriately positioned and adequately resourced.
- demonstrates quality and continuous improvement.
- communicates effectively.
- provides risk-based assurance.
- is insightful, proactive, and future-focused.
- promotes organisational improvement.

3.2 The PSIAS defines internal audit as follows.

*“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”*

3.3 The County Council acknowledges the mandatory nature of this definition and confirms that it reflects the purpose of internal audit. The County Council also requires that the service be undertaken in accordance with the code of ethics and standards set out in the PSIAS.

## 4 Scope of internal audit activities

- 4.1 The scope of internal audit work will encompass the County Council's entire control environment<sup>2</sup>, comprising its systems of governance, risk management, and control.
- 4.2 The scope of audit work also extends to services provided through partnership arrangements, irrespective of what legal standing or particular form these may take. The Head of Internal Audit, in consultation with all relevant parties and taking account of audit risk assessment processes, will determine what work will be carried out by the internal audit service, and what reliance may be placed on the work of other auditors.

## 5 Responsibilities and objectives

- 5.1 The Head of Internal Audit is required to provide an annual report to the Audit Committee. The report will be used by the Committee to inform its consideration of the County Council's annual governance statement. The report will include:
- the Head of Internal Audit's opinion on the adequacy and effectiveness of the Council's framework of governance, risk management, and control
  - any qualifications to the opinion, together with the reasons for those qualifications (including any impairment to independence or objectivity)
  - any particular control weakness judged to be relevant to the preparation of the annual governance statement
  - a summary of work undertaken to support the opinion including any reliance placed on the work of other assurance bodies
  - an overall summary of internal audit performance and the results of the internal audit service's quality assurance and improvement programme
  - a statement on conformance with the PSIAS (including the code of ethics and standards) and the results of the quality assurance and improvement programme.
- 5.2 To support the opinion the Head of Internal Audit will ensure that an appropriate programme of audit work is undertaken. In determining what work to undertake the service should:
- adopt an overall strategy setting out how the service will be delivered in accordance with this Charter
  - draw up an indicative risk based audit plan on an annual basis following consultation with the Audit Committee and senior management. The audit

---

<sup>2</sup> For example the work of internal audit is not limited to the review of financial controls only.

- plan will also reflect ~~which takes account of~~ the requirements of the Charter, the strategy, and proper practice
- consider trends and emerging issues that may impact the organisation-
- 5.3 In undertaking this work, the responsibilities of the internal audit service will include:
- providing assurance to the board and senior management on the effective operation of governance arrangements and the internal control environment operating at the County Council<sup>3</sup>
  - objectively examining, evaluating and reporting on the probity, legality and value for money of the Council's arrangements for service delivery
  - reviewing the Council's financial arrangements to ensure that proper accounting controls, systems and procedures are maintained and, where necessary, for making recommendations for improvement
  - helping to secure the effective operation of proper controls to minimise the risk of loss, the inefficient use of resources and the potential for fraud and other wrongdoing
  - acting as a means of deterring all fraudulent activity, corruption and other wrongdoing; this includes conducting investigations into matters referred by Members, officers, and the public and reporting findings of those investigations to the relevant officers and Members as appropriate for action
  - advising the Council on relevant counter fraud and corruption policies and measures.
- 5.4 The Head of Internal Audit will ensure that the service is provided in accordance with proper practice as set out above and in accordance with any other relevant standards – for example County Council policy and/or legal or professional standards and guidance.
- 5.5 In undertaking their work, internal auditors should have regard to:
- the mission of internal audit, ~~and~~ core principles and standards as set out in the PSIAS and reflected in this charter
  - the code of ethics in the PSIAS<sup>4</sup>
  - the codes of any professional bodies of which they are members
  - standards of conduct expected by the County Council
  - the Committee on Standards in Public Life's *Seven Principles of Public Life*.

---

<sup>3</sup> where third parties place reliance on the assurance provided then they do so at their own risk

<sup>4</sup> Veritau has adopted its own code of ethics which fulfil the requirements of the PSIAS.

## 6 Organisational independence

- 6.1 It is the responsibility of corporate directors to maintain effective systems of risk management, internal control, and governance. Auditors will have no responsibility for the implementation or operation of systems of control and will remain sufficiently independent of the activities audited to enable them to exercise objective professional judgement.
- 6.2 Audit advice and recommendations will be made without prejudice to the rights of internal audit to review and make further recommendations on relevant policies, procedures, controls and operations at a later date.
- 6.3 The Head of Internal Audit will put in place measures to ensure that individual auditors remain independent of areas they are auditing for example by:
- rotation of audit staff
  - ensuring staff are not involved in auditing areas where they have recently been involved in operational management, or in providing consultancy and advice<sup>5</sup>
  - ~~seeking external oversight of any audit of functional activities managed by the Head of Internal Audit through Veritau client management arrangements.~~

## 7 Accountability, reporting lines, and relationships

- 7.1 Internal audit services are provided under contract to the Council by Veritau Limited. The company is a separate legal entity<sup>6</sup>. Staff undertaking internal audit work will be employed by Veritau or another Veritau group company. Staff may also be seconded to Veritau from the County Council. The Corporate Director – Strategic Resources acts as client officer for the contract, and is responsible for overall monitoring of the service.
- 7.2 In its role in providing an independent assurance function, Veritau has direct access to Members and senior managers and can report uncensored to them as considered necessary. Such reports may be made to the:
- Council, Executive, or any committee (including the Audit Committee)
  - Chief Executive
  - Corporate Director – Strategic Resources (s151 officer)
  - Monitoring Officer

---

<sup>5</sup> auditors will not be used on internal audit engagements where they have had direct involvement in the area within the previous 12 months

<sup>6</sup> Veritau is part-owned by the County Council. The company provides internal audit services to a number of member councils and other public sector organisations.

- Any other corporate director and/or service manager.
- 7.3 The Corporate Director – Strategic Resources (as s151 officer) has a statutory responsibility for ensuring that the County Council has an effective system of internal audit in place. In recognition of this, a protocol has been drawn up setting out the relationship between internal audit and the Corporate Director – Strategic Resources. This is included in Annex 1.
- 7.4 The Head of Internal Audit will report independently to the Audit Committee<sup>7</sup> on:
- proposed allocations of audit resources
  - any significant risks and control issues identified through audit work
  - his/her annual opinion on the Council’s control environment.
- 7.5 The Head of Internal Audit will informally meet in private with members of the Audit Committee, or the committee as a whole as required. Meetings may be requested by committee members or the Head of Internal Audit.
- 7.6 The Audit Committee will oversee (but not direct) the work of internal audit. This includes commenting on the scope of internal audit work and approving the annual audit plan. The committee will also protect and promote the independence and rights of internal audit to enable it to conduct its work and report on its findings as necessary<sup>8</sup>.

## **8 Fraud, ~~and~~ consultancy services and non-audit services**

- 8.1 The primary role of internal audit is to provide assurance services to the County Council. However, the service may also be required to undertake fraud investigation and other consultancy work to add value and help improve governance, risk management and control arrangements.
- 8.2 The prevention and detection of fraud and corruption is the responsibility of management. However, all instances of suspected fraud and corruption should be notified to the Head of Internal Audit, who will decide on the course of action to be taken in consultation with the relevant corporate director and/or other advisors (for example human resources). Where appropriate, cases of suspected fraud or corruption will be investigated by Veritau.
- 8.3 Where appropriate, Veritau may carry out other consultancy related work, for example specific studies to assess the economy, efficiency, and effectiveness of elements of service provision. The scope of such work will be determined in conjunction with the relevant corporate directors and/or service managers. Such work will only be carried out where there are sufficient resources and skills within

<sup>7</sup> The committee charged with overall responsibility for governance at the county council.

<sup>8</sup> The relationship between internal audit and the Audit Committee is set out in more detail in Annex 2.

Veritau and where the work will not compromise the assurance role or the independence of internal audit. Details of all significant consultancy assignments completed in the year will be reported to the Audit Committee.

8.4 Where Veritau provides non-audit services (for example information governance), appropriate safeguards will be put in place to ensure audit independence and objectivity are not compromised. These safeguards include the work being performed by a separate team with different line management arrangements. Separate reporting arrangements will also be maintained. The Head of Internal Audit will report any instances where audit independence or objectivity may be compromised to the Corporate Director – Strategic Resources and the Audit Committee. The Head of Internal Audit will also take steps to limit any actual or perceived impairment that might occur (for example by arranging for the audit of these services or functional activities to be overseen externally).

## **9 Resourcing**

9.1 As part of the audit planning process the Head of Internal Audit will review the resources available to internal audit, to ensure that they are appropriate and sufficient to meet the requirements to provide an opinion on the County Council's control environment. Where resources are judged to be inadequate or insufficient, recommendations to address the shortfall will be made to the Corporate Director – Strategic Resources and to the Audit Committee.

## **10 Rights of access**

10.1 To enable it to fulfil its responsibilities, the County Council gives internal auditors employed by Veritau the authority to:

- enter all Council premises or land, at any reasonable time
- have access to all data, records, documents, correspondence, or other information - in whatever form - relating to the activities of the Council
- have access to any assets of the Council and to require any employee of the Council to produce any assets under their control
- be able to require from any employee or Member of the Council any information or explanation necessary for the purposes of audit.

10.2 Corporate directors and service managers are responsible for ensuring that the rights of Veritau staff to access premises, records, and personnel are preserved, including where the County Council's services are provided through partnership arrangements, contracts or other means.

## **11 Review**

- 11.1 This charter will be reviewed periodically by the Head of Internal Audit. Any recommendations for change will be made to the Corporate Director – Strategic Resources and the Audit Committee, for approval.



## Relationship between the Corporate Director – Strategic Resources (the s151 Officer) and internal audit

- 1 In recognition of the statutory duties of the Council's Corporate Director – Strategic Resources (the Corporate Director) for internal audit, this protocol has been adopted to form the basis for a sound and effective working relationship between the Corporate Director and internal audit.
- (i) The Head of Internal Audit (HoIA) will seek to maintain a positive and effective working relationship with the Corporate Director.
  - (ii) Internal audit will review the effectiveness of the Council's systems of control, governance, and risk management and report its findings to the Corporate Director (in addition to the Audit Committee).
  - (iii) The Corporate Director will be asked to comment on those elements of internal audit's programme of work that relate to the discharge of his/her statutory duties. In devising the annual audit plan and in carrying out internal audit work, the HoIA will give full regard to the comments of the Corporate Director.
  - (iv) The HoIA will notify the Corporate Director of any matter that in the HoIA's professional judgement may have implications for the Corporate Director in discharging his/her s151 responsibilities.
  - (v) The Corporate Director will notify the HoIA of any concerns that he/she may have about control, governance, or suspected fraud and corruption and may require internal audit to undertake further investigation or review.
  - (vi) The HoIA will be responsible for ensuring that internal audit is provided in accordance with proper practice.
  - (vii) If the HoIA identifies any shortfall in resources which may jeopardise the ability to provide an opinion on the County Council's control environment, then he/she will make representations to the Corporate Director, as well as to the Audit Committee.
  - (viii) The HoIA will report to the Corporate Director (and the Audit Committee) any instances where internal audit independence or objectivity is likely to be compromised, together with any planned remedial action.
  - (ix). The HoIA will report to the Corporate Director (and the Audit Committee) any instances where audit work has not conformed to the code of ethics and/or the standards. This includes the reasons for non-conformance and the possible impact on the audit opinion.

| (xviii) The Corporate Director will protect and promote the independence and rights of internal audit to enable it to conduct its work effectively and to report as necessary.

### **Relationship between the Audit Committee and internal audit**

- 1 The Audit Committee plays a key role in ensuring that the County Council maintains a robust internal audit service and it is therefore essential that there is an effective working relationship between the Committee and internal audit. This protocol sets out some of the key responsibilities of internal audit and the Committee.
- 2 The Audit Committee will seek to:
  - (i) raise awareness of key aspects of good governance across the County Council, including the role of internal audit and risk management
  - (ii) ensure that adequate resources are provided by the County Council so as to ensure that internal audit can satisfactorily discharge its responsibilities
  - (iii) protect and promote the independence and rights of internal audit to conduct its work properly and to report on its findings as necessary.
- 3 Specific responsibilities in respect of internal audit include the following.
  - (i) Oversight of, and involvement in, decisions relating to how internal audit is provided.
  - (ii) Approval of the internal audit charter.
  - (iii) Consideration of the annual report and opinion of the Head of Internal Audit (HoIA) on the County Council's control environment.
  - (iv) Consideration of other specific reports detailing the outcomes of internal audit work.
  - (v) Consideration of reports dealing with the performance of internal audit and the results of its quality assurance and improvement programme.
  - (vi) Consideration of reports on the implementation of actions agreed as a result of audit work and outstanding actions escalated to the Committee in accordance with the approved escalation policy.
  - (vii) Approval (but not direction) of the annual internal audit plan.
- 4 In relation to the Audit Committee, the HoIA will:
  - (i) attend its meetings and contribute to the agenda
  - (ii) ensure that overall internal audit objectives, workplans, and performance are communicated to, and understood by, the Committee
  - (iii) provide an annual summary of internal audit work in accordance with the agreed work programme of the Committee, and an opinion on the

Council's control environment, including details of unmitigated risks or other issues that need to be considered by the Committee

- (iv) establish whether anything arising from the work of the Committee requires changes to the audit plan or vice versa
- (v) highlight any shortfall in the resources available to internal audit or any instances where the independence or objectivity of internal audit work may be compromised (and ~~to~~ make recommendations to address these to the Committee)
- (vi) report any significant risks or control issues identified through audit work which the HoIA feels necessary to specifically report to the Committee. This includes risks which management are failing to address but which the HoIA considers are unacceptable for the County Council.
- (vii) report any actual or attempted interference in the performance or reporting of internal audit work
- (viii) participate in the Committee's review of its own remit and effectiveness
- (ixviii) discuss the outcomes of the quality assurance and improvement programme, and consult with the board on how external assessment of the internal audit service will be conducted (required once every five years).

- 5 The HoIA will informally meet in private with members of the Audit Committee, or the committee as a whole as required. Meetings may be requested by committee members or the HoIA.

## OPINIONS ISSUED IN 2016/17

<b>Report</b>	<b>Directorate/Audit Work Area</b>	<b>Opinion</b>	<b>Period Covered</b>
June 2016	Children and Young People's	Substantial	1 June 2015 to 31 May 2016
September 2016	Health and Adult Services	Substantial	1 September 2015 to 31 August 2016
	Computer audit, corporate themes and contracts	Substantial	1 September 2015 to 31 August 2016
December 2016	Business and Environmental Services	Substantial	1 December 2015 to 30 November 2016
March 2017	Central Services	Substantial	1 February 2016 to 31 January 2017
	Counter fraud matters	N/A	1 February 2016 to 31 January 2017

## PERFORMANCE TARGETS 2016/17 OUT-TURN

Target		Actual		
<b>Operational Issues</b>				
1	To deliver 93% of the agreed Internal Audit Plan	30 Apr 2017	94.8% of the agreed Internal Audit plan completed	✓
2	To achieve a positive customer satisfaction rating of 95%	31 Mar 2017	100% customer satisfaction	✓
3	To ensure 95% of Priority 1 recommendations made are agreed	31 Mar 2017	100% of Priority 1 recommendations were agreed.	✓
4	To ensure 95% of FOI requests are answered within the Statutory deadline	31 Mar 2017	97.8% of FOI requests received during the year were responded to within the 20 day deadline.	✓

## PERFORMANCE TARGETS 2017/18

Target		
<b>Operational Issues</b>		
1	To deliver 93% of the agreed Internal Audit Plan.	30 April 2018
2	To achieve a positive customer satisfaction rating of 95%.	31 March 2018
3	To ensure 95% of Priority 1 recommendations made are agreed.	31 March 2018
4	To ensure 95% of FOI requests are answered within the statutory deadline of 20 working days.	31 March 2018

**SIGNIFICANT BREACHES OF CONTRACT PROCEDURE RULES**

The following table summarises the breaches of the Council's Contract Procedure Rules, identified by Veritau during 2016/17:

	2016/17	2015/16	2014/15
Quotations not sought or evidence not retained	0	0	5
Quotation/tender opening and recording procedures incorrect	0	0	1
CPRs waived but no documented or approved case to justify deviation	0	0	0
Failure to consult with Legal Services re contract conditions and signing and/or failure to obtain appropriate approval to proceed with procurement	0	0	1
Lease for equipment entered into without agreement of Finance	0	0	2
Contract not signed and dated by County Council and contractor	0	0	1
No contract in place or key clauses omitted	0	1	1
Correct procurement process not followed or lack of evidence to confirm	2	2	6
Contract expired but not re-tendered or contracts automatically rolled forward	1	1	0
Lowest quotation not selected and selection criteria not documented	0	0	0
Inadequate advertising	0	0	0
Scoring mechanism not indicated or not submitted to Veritau (for recording)	0	0	3
Contracts not stored in accordance with CPRs	0	0	0
No financial checks or other requisite checks	0	0	0
Yortender not utilised during procurement	0	0	1



	<b>2016/17</b>	<b>2015/16</b>	<b>2014/15</b>
process			
Inadequate contract monitoring	5	2	1
Cost variation forms not completed	2	0	0
Issues identified with the Gateway process	0	2	0
<b>TOTALS</b>	<b>10</b>	<b>8</b>	<b>22</b>

## VERITAU

## INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

## 1.0 Background

Ongoing quality assurance arrangements

Veritau maintains appropriate ongoing quality assurance arrangements designed to ensure that internal audit work is undertaken in accordance with relevant professional standards (specifically the Public Sector Internal Audit Standards). These arrangements include:

- the maintenance of a detailed audit procedures manual
- the requirement for all audit staff to conform to the Code of Ethics and Standards of Conduct Policy
- the requirement for all audit staff to complete annual declarations of interest
- detailed job descriptions and competency profiles for each internal audit post
- regular performance appraisals
- regular 1:2:1 meetings to monitor progress with audit engagements
- induction programmes, training plans and associated training activities
- the maintenance of training records and training evaluation procedures
- agreement of the objectives, scope and expected timescales for each audit engagement with the client before detailed work commences (audit specification)
- the results of all audit testing work documented using the company's automated working paper system (Galileo)
- file review by senior auditors and audit managers and sign-off of each stage of the audit process
- the ongoing investment in tools to support the effective performance of internal audit work (for example data interrogation software)
- post audit questionnaires (customer satisfaction surveys) issued following each audit engagement
- performance against agreed quality targets monitored and reported to each client on a regular basis.

On an ongoing basis, a sample of completed audit files is also subject to internal peer review by a senior audit manager to confirm quality standards are being maintained. The results of this peer review are documented and any key learning points shared with the internal auditors and audit managers).

The Head of Internal Audit will also be informed of any general areas requiring improvement. Appropriate mitigating action will be taken (for example, increased supervision of individual internal auditors or further training).

### Annual self-assessment

On an annual basis, the Head of Internal Audit will seek feedback from each client on the quality of the overall internal audit service. The Head of Internal Audit will also update the PSIAS self assessment checklist and obtain evidence to demonstrate conformance with the Code of Ethics and the Standards. As part of the annual appraisal process, each internal auditor is also required to assess their current skills and knowledge against the competency profile relevant for their role. Where necessary, further training or support will be provided to address any development needs.

The Head of Internal Audit is also a member of various professional networks and obtains information on operating arrangements and relevant best practice from other similar audit providers for comparison purposes.

The results of the annual client survey, PSIAS self-assessment and professional networking are used to identify any areas requiring further development and/or improvement. Any specific changes or improvements are included in the annual Improvement Action Plan. Specific actions may also be included in the Veritau business plan and/or individual personal development action plans. The outcomes from this exercise, including details of the Improvement Action Plan are also reported to each client. The results will also be used to evaluate overall conformance with the PSIAS, the results of which are reported to senior management and the board<sup>1</sup> as part of the annual report of the Head of Internal Audit.

### External assessment

At least once every five years, arrangements must be made to subject internal audit working practices to external assessment to ensure the continued application of professional standards. The assessment should be conducted by an independent and suitably qualified person or organisation and the results reported to the Head of Internal Audit. The outcome of the external assessment also forms part of the overall reporting process to each client (as set out above). Any specific areas identified as requiring further development and/or improvement will be included in the annual Improvement Action Plan for that year.

## **2.0 Customer Satisfaction Survey – 2017**

Feedback on the overall quality of the internal audit service provided to each client was obtained in March 2017. Where relevant, the survey also asked questions about the counter fraud and information governance services provided by Veritau. A total of 149 surveys (2016 – 124) were issued to senior managers in client organisations. 32 surveys were returned representing a response rate of 21% (2016 - 33%). The surveys were sent using Survey Monkey and respondents were asked

---

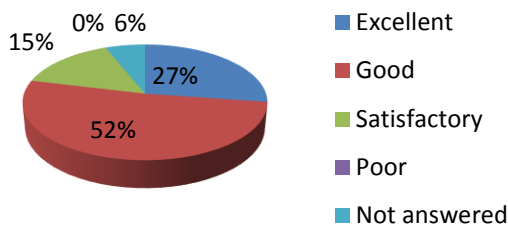
<sup>1</sup> As defined by the relevant audit charter.

to identify who they were. Respondents were asked to rate the different elements of the audit process, as follows:

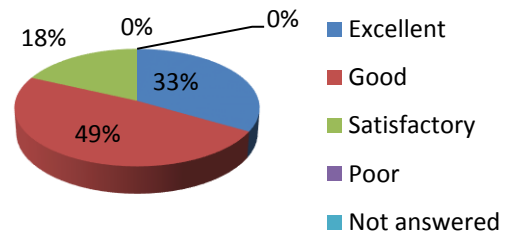
- Excellent (1)
- Good (2)
- Satisfactory (3)
- Poor (4)

Respondents were also asked to provide an overall rating for the service. The results of the survey are set out in the charts below:

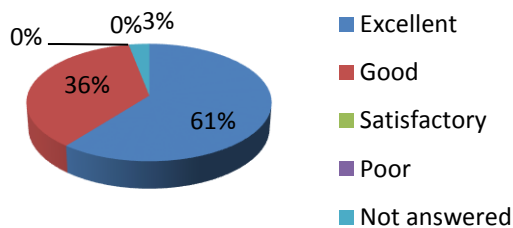
**Quality of audit planning / overall coverage**



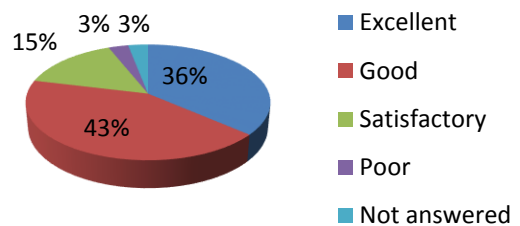
**Provision of advice / guidance**



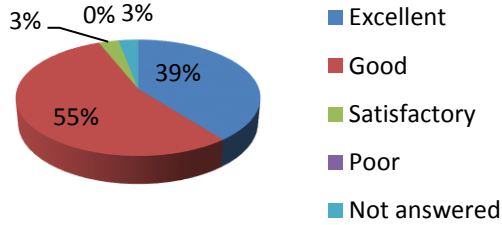
**Staff - conduct / professionalism**



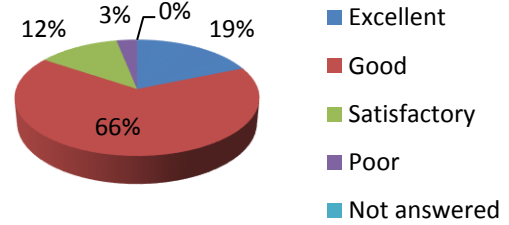
**Ability to provide unbiased / objective opinions**



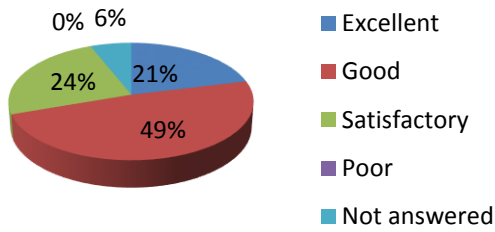
### Ability to establish positive rapport with customers



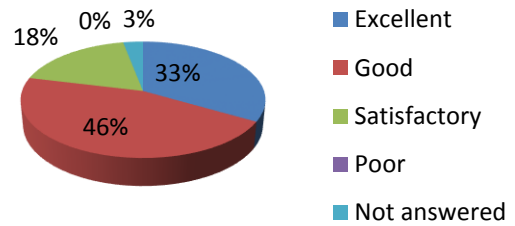
### Knowledge of system / service being audited



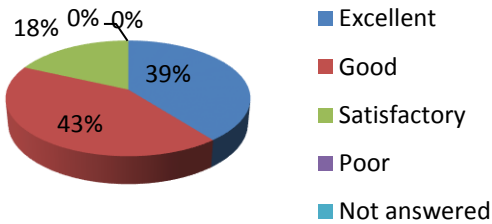
### Ability to focus on areas of greatest risk



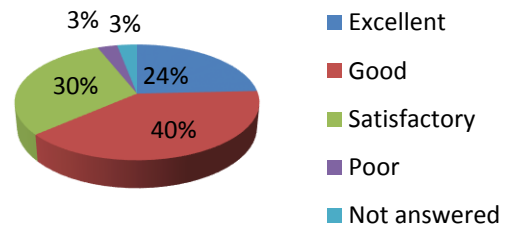
### Agreeing scope / objectives of the audit



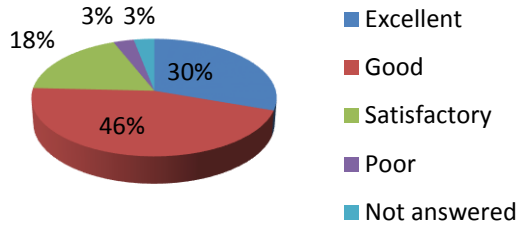
### Minimising disruption to the service being audited



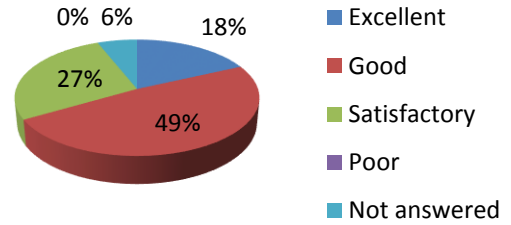
### Communicating issues during the audit



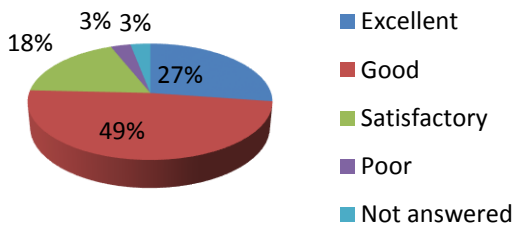
### Quality of feedback at end of audit



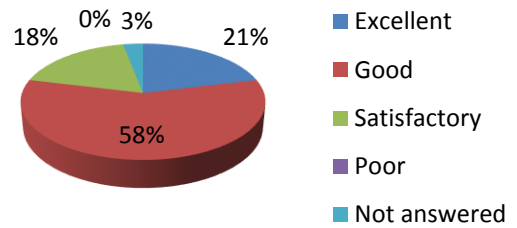
### Accuracy / format / length / style of audit report



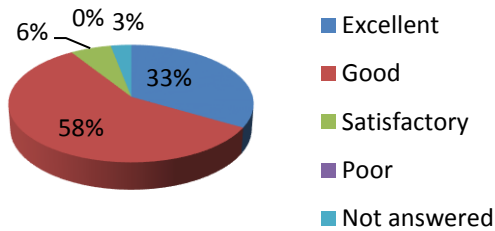
### Relevance of audit opinions / conclusions



### Agreed actions are constructive / practical



### Overall rating for Internal Audit service



The overall ratings in 2017 were:

	2017		2016	
Excellent	11	34%	8	27%
Good	19	60%	19	63%
Satisfactory	2	6%	3	10%
Poor	0	0%	0	0%

The feedback shows that the majority of clients continue to value the service being delivered.

### 3.0 Self Assessment Checklist – 2017

CIPFA prepared a detailed checklist to enable conformance with the PSIAS and the Local Government Application Note to be assessed. The checklist was originally completed in March 2014 but has since been reviewed and updated annually. Documentary evidence is provided where current working practices are considered to fully or partially conform to the standards.

In most areas the current working practices are considered to be at standard. However, a few areas of non-conformance have been identified. None of the issues identified are however considered to be significant. In addition, in some cases, the existing arrangements are considered appropriate for the circumstances and hence require no further action.

The following areas of non-conformance remain unchanged from last year:

<u>Conformance with Standard</u>	<u>Current Position</u>
Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the Head of Internal Audit?	The Head of Internal Audit's performance appraisal is the responsibility of the board of directors. The results of the annual customer satisfaction survey exercise are however used to inform the appraisal.
Is feedback sought from the chair of the audit committee for the Head of Internal Audit's performance appraisal?	See above
Where there have been significant additional consulting services agreed during the year that were not already included in the audit plan, was approval sought from the audit committee before the engagement was accepted?	Consultancy services are usually commissioned by the relevant client officer (generally the s151 officer). The scope (and charging arrangements) for any specific engagement will be agreed by the Head of Internal Audit and the relevant client officer. Engagements will not be accepted if there is any actual or perceived conflict of interest, or which might otherwise be detrimental to the reputation of Veritau.
Does the risk-based plan set out the - (b) respective priorities of those pieces of audit work?	Audit plans detail the work to be carried out and the estimated time requirement. The relative priority of each assignment will be considered before any subsequent changes are made to plans. Any significant changes to the plan will

<b><u>Conformance with Standard</u></b>	<b><u>Current Position</u></b>
	need to be discussed and agreed with the respective client officers (and reported to the audit committee).
Are consulting engagements that have been accepted included in the risk-based plan?	Consulting engagements are commissioned and agreed separately.
Does the risk-based plan include the approach to using other sources of assurance and any work that may be required to place reliance upon those sources?	Reliance may be placed on other sources of assurances where this is considered relevant. However, the Head of Internal Audit will only rely on other sources of assurance if he/she is satisfied with the competency, objectivity and reliability of the assurance provider.

#### **4.0 External Assessment**

As noted above, the PSIAS require the Head of Internal Audit to arrange for an external assessment to be conducted at least once every five years to ensure the continued application of professional standards. The assessment is intended to provide an independent and objective opinion on the quality of internal audit practices.

Whilst the new Standards were only adopted in April 2013, the decision was taken to request an assessment at the earliest opportunity in order to provide assurance to our clients. The assessment was conducted by Gerry Cox and Ian Baker from the South West Audit Partnership (SWAP) in April 2014. Both Gerry and Ian are experienced internal audit professionals. The Partnership is a similar local authority controlled company providing internal audit services to a number of local authorities.

The assessment consisted of a review of documentary evidence, including the self-assessment, and face to face interviews with a number of senior client officers and Veritau auditors. The assessors also interviewed an audit committee chair.

The conclusion from the external assessment was that working practices conform to the required professional standards. Copies of the detailed assessment report were provided to client organisations and, where appropriate, reported to the relevant audit committee.

#### **5.0 Improvement Action Plan**

Last year's quality assurance process identified the following required changes and improvements:

<b>Change / improvement</b>	<b>Progress to date</b>
The internal peer review highlighted the	Completed



need for further training to be provided on sampling and testing.	
---	--

No specific changes to working practices have been identified in 2017. However, to enhance the overall effectiveness of the service, the following areas are considered to be a priority in 2017/18:

- Further development of in-house technical IT audit expertise
- Implementation of the data analytics strategy (stage 1) and investment in new capabilities
- Improved work scheduling, clearer prioritisation of objectives for individual assignments to enable them to be managed within budget, and better communication and agreement with clients on timescales for completion of audit work.

## **6.0 Overall Conformance with PSIAS (Opinion of the Head of Internal Audit)**

Based on the results of the quality assurance process I consider that the service generally conforms to the Public Sector Internal Audit Standards, including the *Code of Ethics* and the *Standards*.

The guidance suggests a scale of three ratings, 'generally conforms', 'partially conforms' and 'does not conform'. 'Generally conforms' is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards. 'Partially conforms' means deficiencies in practice are noted that are judged to deviate from the Standards, but these deficiencies did not preclude the internal audit service from performing its responsibilities in an acceptable manner. 'Does not conform' means the deficiencies in practice are judged to be so significant as to seriously impair or preclude the internal audit service from performing adequately in all or in significant areas of its responsibilities.

**NORTH YORKSHIRE COUNTY COUNCIL****AUDIT COMMITTEE****22 JUNE 2017****INTERNAL AUDIT PLAN FOR 2017/18****Report of the Head of Internal Audit****1.0 PURPOSE OF THE REPORT**

- 1.1 To seek approval for the planned programme of internal audit work to be undertaken in 2017/18.

**2.0 BACKGROUND**

- 2.1 In accordance with professional standards<sup>1</sup> and the County Council's Audit Charter, internal audit plans are prepared on the basis of a risk assessment. This is intended to ensure that limited audit resources are prioritised towards those systems and areas which are considered to be the most risky and/or which contribute the most to the achievement of the County Council's corporate priorities and objectives. The plan is required to be approved by this committee as part of its responsibility for overseeing the work of internal audit.

**3.0 AUDIT PLAN 2017/18**

- 3.1 The Internal Audit Plan for 2017/18 is attached at **Appendix 1**. The Plan details the proposed audits within each directorate or specialist area. The risk assessment process takes account of the County Council's corporate and directorate risk registers, management priorities (for example known areas of concern), the results of recent audit work and other changes in County Council services and systems. The views of senior management across the County Council were canvassed as part of the planning process. The Committee was also given the opportunity to provide comments on the outline plan at its last meeting on 2 March.
- 3.2 The Plan reflects the County Council's priorities for the coming year together with the financial and other pressures it faces. The Plan includes:

---

<sup>1</sup> As set out in the Public Sector Internal Audit Standards and specific guidance on the application of those standards for local government, issued by CIPFA.

- systems where the volume and value of transactions processed are significant, or where the possible impact of any system failure is high, making the continued operation of regular controls essential;
- areas of known concern, where a review of risks and controls will add value to operations;
- areas of significant change where the audit work may focus on (a) direct support to projects, (b) a review of project management arrangements, or (c) consideration of the impact of those changes on the control environment for example where the reduction in resources may result in fewer controls.

In particular, continued support will be given to the 2020 North Yorkshire programme, individual transformation projects, ongoing data security compliance, health and social care integration, and increased commercial operations.

- 3.3 Members should note that the Audit Plan for 2017/18 includes allocations of time for non-audit related activities including counter fraud and information governance. The overall Audit Plan total is 2,090 days (2016/17 – 2,202 days). The time allocated to internal audit work is 1,134 days (2016/17 – 1,290 days). The reduction in audit coverage is part of a planned savings programme which will see the overall Audit Plan reduce to 1,890 days by 2020/21. Internal audit coverage will reduce to 1,090 days over this same period.
- 3.4 It is important that audit resources are used effectively and continue to focus on those areas which will add the most value. Continued dialogue and collaboration with management will therefore take place through the year to ensure that any new risks or changed priorities are identified and reflected in planned work. In addition, the audit approach will be increasingly forward looking, providing assurance to management in areas of change rather than concentrating on past events.

#### 4.0 **RECOMMENDATION**

- 4.1 Members are asked to approve the Internal Audit Plan for 2017/18.

Report prepared and presented by Max Thomas, Head of Internal Audit

MAX THOMAS  
Head of Internal Audit

Veritau Limited  
County Hall  
Northallerton

1 June 2017

**Background Documents:** None

**NORTH YORKSHIRE COUNTY COUNCIL  
INTERNAL AUDIT PLAN – 2017/18**

<b>CORPORATE / CROSS CUTTING</b>	<b><u>Days</u></b>
<b>Revenue budget management</b>	<b>20</b>
A review of the effectiveness of the Council's revenue budget management arrangements. The review will focus on specific service areas to assess the adequacy of budget forecasting, monitoring and decision making.	
<b>Capital programme management</b>	<b>20</b>
A review of the processes in place to prepare and monitor the delivery of the capital programme.	
<b>Performance management</b>	<b>20</b>
A review of the effectiveness of the Council's performance management framework. This will include a review of the overall corporate reporting arrangements and a number of specific service areas to assess the effectiveness of their performance management systems.	
<b>Information governance (data breaches)</b>	<b>20</b>
An allocation of time to investigate significant data security incidents and/or provide support to other internal investigations. The allocation will also include follow up reviews to ensure remedial action has been taken by service areas where appropriate.	
<b>Information governance (data security compliance)</b>	<b>30</b>
A programme of unannounced information security compliance audits. The audits will cover a variety of council premises with a focus on those considered to be high risk.	
<b>Risk management</b>	<b>15</b>
An audit of the Council's risk management processes. This will include a review of the corporate risk management arrangements and how specific service areas manage their risks.	
<b>Payroll / HR</b>	<b>20</b>
An audit of payroll / HR controls and processing. The review will include the payment of overtime and allowances. We will use the IDEA data analysis tool to focus on a number of key risk areas.	
<b>Transition from children to adults</b>	<b>25</b>

<b>CORPORATE / CROSS CUTTING</b>	<b><u>Days</u></b>
<p>A review of the processes and controls which ensure the effective management of the transition of care provision from the Council's children's to adults' services.</p>	
<b>Attendance management</b>	<b>20</b>
<p>A cross cutting review of processes to record, manage and report staff absences. The review will consider the accuracy and completeness of data, and the effectiveness of the overall arrangements.</p>	
<b>IR35</b>	<b>15</b>
<p>From April 2017, local authorities and other public sector bodies will be responsible for collecting PAYE/NI for contractors and interim staff who work through limited companies. The audit will review the Council's processes for calculating deductions where such arrangements exist.</p>	
<b>Volunteers</b>	<b>15</b>
<p>A review of the Council's arrangements for managing risks associated with the use of volunteers. The specific areas will be agreed with management but may include supervision, training, data protection, health and safety, insurance and expenses.</p>	
<b>Commercial Operations</b>	<b>20</b>
<p>A review of the Council's arrangements for managing risks associated with its new commercial companies. The audit will examine the effectiveness of the overall governance arrangements but not the internal operations of the companies themselves.</p>	
<b>Transparency</b>	<b>10</b>
<p>A review of the Council's compliance with the requirements of the Local Government Transparency Code.</p>	
<b>Total – Corporate / Cross cutting</b>	<b><u>250</u></b>

<b>HEALTH AND ADULT SERVICES</b>	<b><u>Days</u></b>
<b>Liquid Logic and ContrOCC</b>	<b>20</b>
The audit will review a sample of key controls in the Liquid Logic and ContrOCC systems.	
<b>Provider Payment Portal</b>	<b>10</b>
To provide practical support and challenge to the development project to automate payments to some providers through the use of a Provider Portal.	
<b>Direct payments</b>	<b>20</b>
A review of the systems and procedures put in place by the Council to ensure Direct Payment Agreements are managed in line with the Council's approved policies.	
<b>Assessment, Billing and Contracts Project (ABC)</b>	<b>15</b>
A review of the new systems and processes put in place for assessing charges and invoicing for adult social care.	
<b>Financial Assessments</b>	<b>15</b>
A review of the effectiveness of key controls in place for undertaking financial assessments and relationships with the wider social care assessment processes.	
<b>Care Visits to Providers</b>	<b>30</b>
To work closely with officers to develop the Council's internal control arrangements for managing and safeguarding the financial affairs of service users. To provide support and ad-hoc guidance to officers on specific cases involving financial matters. The allocation of time will also include visits to a small number of care providers to provide assurance that appropriate financial controls are in place and operating effectively.	
<b>Continuing Healthcare</b>	<b>10</b>
A review of the management of risks, processes and controls in respect of the Council's responsibilities towards Continuing Healthcare.	
<b>Learning Disability accommodation</b>	<b>20</b>
A review of the procurement arrangements in respect of Learning Disability accommodation.	

<b>HEALTH AND ADULT SERVICES</b>	<b><u>Days</u></b>
<b>Public Health</b>	<b>20</b>
A review of the effectiveness of the strategy and delivery of smoking cessation services.	
<b>Market failure</b>	<b>20</b>
A review of the arrangements in place to manage the potential risks of market failure in the care market.	
<b>Total – Health and Adult Services</b>	<b><u>180</u></b>



<b>BUSINESS AND ENVIRONMENTAL SERVICES</b>	<b><u>Days</u></b>
<b>Highways maintenance contract</b>	<b>20</b>
A review of the key risk areas in respect of the highways maintenance contract with Ringway.	
<b>Highways Inspection Manual / third party claims</b>	<b>20</b>
A review of the process and controls that ensure effective repair of the highway and the management of risks arising from third party claims.	
<b>Allerton Waste Recycling Park</b>	<b>20</b>
A review of the systems being developed by the Council to manage payments and enable effective management of the contract.	
<b>Integrated Passenger Transport (IPT)</b>	<b>15</b>
An allocation of time to support the review and re-design of provider contract compliance processes within the IPT service.	
<b>Concessionary fares</b>	<b>15</b>
A review of the arrangements to manage and control the payments of concessionary fares.	
<b>Total – Business and Environmental Services</b>	<b><u>90</u></b>

<b>CENTRAL SERVICES</b>	<b><u>Days</u></b>
<b>Business Continuity and Disaster Recovery</b>	<b>15</b>
A review of the Council's business continuity and disaster recovery arrangements. The audit will follow up findings from previous audits.	
<b>Main accounting</b>	<b>25</b>
A review of the arrangements for managing and maintaining the financial ledger.	
<b>Creditors</b>	<b>25</b>
The audit will include a review of the new P2P processes and the roll-out of the system. We will provide support and challenge to the introduction of the new P2P processes to help the Council maximise the efficiency and other benefits of the system.	
In addition we will review the existing systems to process creditor invoices and payments. The controls in place for managing changes to supplier's bank details will also be examined.	
<b>Debtors and Income Management System</b>	<b>25</b>
A review of the systems for raising debtor invoices and the arrangements for debt recovery.	
<b>Members Allowances</b>	<b>20</b>
A provision of time to undertake audit compliance checks of a sample of claims for mileage and other allowable expenditure.	
<b>Total – Central Services</b>	<b><u>110</u></b>

<b>CHILDREN AND YOUNG PEOPLE'S SERVICES</b>	<b><u>Days</u></b>
<p><b>Partners in Practice</b></p> <p>The Council has received £8m funding from the DfE as one of a small number of pilot areas to share good practice with other organisations. The audit will review the governance procedures in place to manage the delivery of the programme.</p>	<b>5</b>
<p><b>High Needs SEN</b></p> <p>The Children and Families Act introduced new arrangements for assessing and supporting children with special educational needs and disabilities. The service area is currently subject to an internal review. The audit will examine the changes to controls and processes resulting from the review and the implementation of a new funding methodology. The audit will include a review of high needs funding arrangements.</p>	<b>25</b>
<p><b>Commissioning</b></p> <p>A review of the processes and controls in place to commission care packages for young people to ensure that need is assessed effectively and that services are procured, managed and monitored appropriately.</p>	<b>25</b>
<p><b>Home to school transport</b></p> <p>Home to school transport costs over £20m per annum and currently expenditure exceeds budget. An audit was previously carried out in 2015/16. This audit will review the implementation of the actions previously agreed, but also other actions taken by management since then to improve control of the budget.</p>	<b>20</b>
<p><b>Direct payments</b></p> <p>A review of the systems and procedures put in place by the County Council to monitor direct payment agreements for children and young people. The scope of the audit will specifically include monitoring, review and follow up procedures.</p>	<b>20</b>
<p><b>Developing Stronger Families</b></p> <p>The Council receives funding from DCLG as part of the Troubled Families Programme. DCLG guidance expects internal audit to carry out a 10% check of each funding claim submitted.</p>	<b>10</b>
<p><b>Schools Financial Value Standard (SFVS)</b></p> <p>Provision to review the returns made by schools and to undertake any necessary follow up.</p>	<b>12</b>

<b>CHILDREN AND YOUNG PEOPLE’S SERVICES</b>	<b><u>Days</u></b>
<b>Schools themed audits</b>	<b>65</b>
Provision for 3 themed audits. Visits will be made to a number of schools to review their practices in each of the chosen areas with the aim of producing good practice guidance. Themed audits will cover the management of deficits and payroll. A third area will be chosen in consultation with CYPS management. There will also be a small additional allowance for visits to individual schools with known issues.	
<b>Audit support and advice to schools</b>	<b>30</b>
An allocation of time to respond to requests for advice and support from schools.	
<b>Total – Children and Young People’s Services</b>	<b><u>212</u></b>

<b>COMPUTER AUDIT</b>	<b><u>Days</u></b>
<b>Asset Management</b>	<b>20</b>
<p>A review of arrangements for managing IT assets, including portable devices such as mobile phones, laptops and tablets. This will include consideration of the configuration of assets to ensure that they are using secure operating systems.</p>	
<b>Cyber Security</b>	<b>25</b>
<p>This audit will look at the council's arrangements for managing cyber security risks, including IT controls such as firewalls, malware protection and patching as well as access control and rights management.</p>	
<b>Communication Security</b>	<b>20</b>
<p>A review of the security arrangements in place for the management of IT communications including both email and telephone communication.</p>	
<b>Support and advice on IT audit matters</b>	<b>5</b>
<p>Provision to provide advice and support on IT related audit matters.</p>	
<b>Total – Computer Audit</b>	<b><u>70</u></b>

<b>PROCUREMENT AND CONTRACT AUDIT</b>	<b><u>Days</u></b>
<b>Support to the development of the Procurement Strategic Action Plan</b>	<b>5</b>
To provide advice, guidance and challenge to the development and implementation of the procurement strategic action plan.	
<b>Serious Organised Crime – procurement risks</b>	<b>15</b>
In December 2016, the Home Office reported on a pilot programme to explore the threat from Serious and Organised Crime to publicly procured services in Local Government. We will review the Council’s arrangements against the risk areas highlighted in the report.	
<b>Specific procurement and contract management based reviews</b>	<b>40</b>
An allocation of time to undertake individual procurement and contract management reviews.	
<b>Total – Procurement and Contract Audit</b>	<b><u>60</u></b>

**NORTH YORKSHIRE PENSION FUND**

**Days**

A programme of audits designed to review the management of Pension Fund risks, to be agreed with the Pensions Board.

Provision to provide support and advice on Pension Fund related audit matters.

**Total – North Yorkshire Pension Fund**

**50**

## **COUNTER FRAUD AND CORRUPTION**

**Days**

An allocation of time to support the provision of counter fraud services, including:

### **Data Matching**

Provision to coordinate data submission, check data validity, assess referrals, and investigate potential frauds in relation to the National Fraud Initiative (NFI) and other local data matching exercises.

### **Fraud Awareness**

Provision to deliver an overall programme of work to raise awareness of fraud issues. Activities include targeted fraud awareness training and organising counter fraud publicity (both internal and external).

### **Fraud Detection and Investigation**

Provision to undertake investigations into suspected fraud, corruption or other wrongdoing. Examples of the types of investigation work that may be undertaken include internal, procurement and social care related fraud.

### **Other Counter Fraud Related Work**

Provision to provide other counter fraud and corruption work including:

- review of council counter fraud arrangements and policies
- the provision of support and advice to directorates in relation to fraud issues
- reporting on outcomes from counter fraud work.

**Total – Counter Fraud and Corruption**

**350**



## **INFORMATION GOVERNANCE**

**Days**

An allocation of time to support the provision of Information Governance services, including:

- the co-ordination of responses to Data Protection and Freedom of Information requests
- monitoring compliance with DP and FoI requirements
- assisting in the development and implementation of the Information Governance policy framework (including the preparation and update of Information Asset Registers, the preparation and review of data sharing agreements, the maintenance of data incident reporting systems, the development and delivery of training, and the provision of advice).

**Total – Information Governance**

**606**

<b>OTHER CHARGEABLE AUDIT WORK</b>	<b><u>Days</u></b>
<b>Follow up</b>	<b>30</b>
Provision to follow up previously agreed audit recommendations.	
<b>Corporate governance strategy</b>	<b>2</b>
An allocation of time to support the development of the Council's corporate governance arrangements and the preparation of the Annual Governance Statement. The time allocation includes attendance at meetings of the Corporate Governance Officer Group.	
<b>Audit planning</b>	<b>12</b>
A provision of time for the preparation of the Annual Audit Plan. Corporate Directors and service managers will be consulted as part of the planning process.	
<b>Audit support, advice and liaison</b>	<b>30</b>
Provision to provide ongoing advice and support on the design, implementation and operation of appropriate controls and for the overall management of audit work in each directorate.	
<b>External audit liaison</b>	<b>3</b>
Ongoing liaison with the external auditors to avoid duplication of effort and to maximise the overall benefit of the audit services provided to the County Council.	
<b>Audit Committee</b>	<b>30</b>
A provision of time to prepare and present reports on internal audit and governance related work undertaken during the financial year. The reports will be presented in accordance with the agreed timetable of the Audit Committee. Time is also included to provide training to Members of the Audit Committee as and when required.	
<b>Contingency</b>	<b>5</b>
Provision to undertake additional work in response to:	
<ul style="list-style-type: none"> <li>• specific requests from the Corporate Director – Strategic Resources (the S151 Officer) or other chief officers</li> <li>• new or previously unidentified risks which impact on Audit Plan priorities</li> </ul>	

- significant changes in legislation, systems or service delivery arrangements
- requests from customers to audit specific services, systems or activities usually as a result of weaknesses in controls or processes being identified by management
- urgent or otherwise unplanned work arising from investigations into information breaches or suspected frauds which identify potential control risks.

**Total – Other Chargeable Audit Work**

112

**SUMMARY OF AUDIT DAYS 2014/15 - 2017/18**

<b>Audit Area</b>	<b>2017/18</b>	<b>2016/17</b>	<b>2015/16</b>	<b>2014/15</b>
Corporate / Cross cutting	250	240	180	290
Health and Adult Services	180	215	205	130
Business & Environmental Services	90	85	100	85
Central Services	110	165	185	125
Children & Young People's Services	212	214	240	445
Computer Audit	70	100	100	100
Procurement and Contract Audit	60	85	90	85
Pension Fund	50	50	50	50
Counter Fraud & Corruption	350	300	310	330
Information Governance	606	612	700	745
Other Chargeable Audit Work	112	136	158	185
Non Audit Duties	---	---	---	10
<b>TOTAL DAYS</b>	<b>2090</b>	<b>2202</b>	<b>2318</b>	<b>2580</b>

**NORTH YORKSHIRE COUNTY COUNCIL****AUDIT COMMITTEE****22 JUNE 2017****REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE****Report of the Head of Internal Audit****1.0 PURPOSE OF THE REPORT**

- 1.1 To advise Members of the results of the effectiveness questionnaire and to agree the next steps.

**2.0 BACKGROUND**

- 2.1 The Audit Committee forms an integral part of the County Council's overall governance framework and is an important source of assurance in respect of the Council's arrangements for managing risk, maintaining an effective control environment, and reporting on financial performance. Guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) recommends that audit committees should periodically undertake a review of their own effectiveness to ensure that they are continuing to properly fulfill their responsibilities.
- 2.2 The last full review of the Committee's effectiveness was conducted in 2010. The review resulted in a small number of changes being made to the Committee's Terms of Reference and operating arrangements. Whilst there have not been any significant changes in the scope of the Committee's work since then the membership of the Committee has changed so it is considered a further review would be timely. Members expressed their support for this approach at the last meeting of the Committee.

**3.0 REVIEW OF THE EFFECTIVENESS OF AUDIT COMMITTEE**

- 3.1 To help inform the planned review a questionnaire was issued to all the members of the Audit Committee in March 2017. A similar questionnaire was sent to officers who regularly attend the committee as well as the external auditors, KPMG. Respondents were asked to rate the Committee's effectiveness across its areas of responsibility and in the way it operates. The responses were anonymous.
- 3.2 In the majority of areas, respondents felt that the Committee was mostly or always effective. However, in a few areas one or more respondents felt that the Committee was only occasionally effective. The questions related to whether:
- Committee members have sufficient skills, experience, time and resources to undertake their duties properly

- Meetings are chaired in a manner which allows members to contribute constructively and for the Committee to properly discharge its responsibilities
- The Committee's discussions enhance the quality of management's decision making
- The Committee understands and accepts the Council's risk appetite
- The Committee discharges its responsibilities for overseeing the Council's treasury management and partnership governance arrangements effectively
- The Committee discharges its responsibilities for overseeing the Council's arrangements for securing value for money effectively
- Reports to the Committee are of an appropriate length and clarity
- Appropriate arrangements exist for the Committee to meet with external and internal audit in private
- The relationship between the Committee and the Council's scrutiny functions is properly understood

These may indicate areas that the Committee may wish to consider further as part of any review.

#### 4.0 **NEXT STEPS**

- 4.1 Members will want to consider whether there are benefits to undertaking a review of the Committee's effectiveness, the timing of such a review and how it will be progressed. Assuming there is agreement to proceed then several options exist for how such a review might be undertaken. The Committee could undertake the review collectively with support from officers, set up a working group (with support from officers) or arrange an external assessment (for example a peer review by an audit committee chair from a neighbouring authority).
- 4.2 The Committee will also need to consider the scope of the review, the areas to focus on and expected timescales.

#### 5.0 **RECOMMENDATIONS**

Members are asked to:

- 5.1 note the results of the initial questionnaire exercise
- 5.2 consider whether to proceed with a review of the Committee's effectiveness, and the form and scope of any such review

M A THOMAS  
Head of Internal Audit

## **BACKGROUND DOCUMENTS**

None

Report prepared and presented by Max Thomas, Head of Internal Audit (Veritau Limited)

County Hall  
Northallerton

7 June 2017

**North Yorkshire County Council****Audit Committee 22 June 2017****Annual Report on Partnership Governance 2016/17****1.0 Purpose of report**

- 1.1 To report on the governance of partnerships involving the County Council for the financial year 2016/17.

**2.0 Background**

- 2.1 The aim of the annual report is to enable the Audit Committee to review the effectiveness of partnership governance arrangements throughout the County Council.
- 2.2 Preparation of the annual report also provides a mechanism to assist officers and Executive Members to ensure that partnerships and the resulting commitments are reviewed regularly and that the County Council is only involved with those partnerships which add value to the work of the County Council.
- 2.3 Prior to a commitment being made to any partnership arrangement involving the County Council, approval is required in line with the County Council's Constitution, Financial Procedure Rules and Partnership Working Guidance.
- 2.4 Partnerships are within the scope of the annual report if they are characterised by one or more of the following conditions:
- strategic, in the sense that they will have a significant impact on the direction of services provided, at the level of County Council, Directorate or Community Plan themes and priorities;
  - involve Members on the governing board;
  - involve a financial input from the County Council of £50k a year or more;
  - involve the County Council as accountable body for external grant funding to the partnership; or
  - have a risk assessment arising from the partnership governance work of high or medium.
- 2.5 Appendix 1 lists the 54 partnerships that were within the scope of the annual report as at 31 March 2017 (compared to 55 in the previous annual report). The number and nature of partnerships changes from time to time and, as with all annual reports, the data within the appendix is a snapshot in time.



2.6 The annual report does not cover other arrangements such as outside organisations to which the County Council appoints members, contracts with suppliers, companies in which the County Council is the sole or a significant shareholder, and joint committees with other local authorities.

### **3.0 Principles for partnership working and key changes during 2016/17**

3.1 The key principles for partnership working locally were agreed in 2010 by Local Government North Yorkshire and York (LGNYY):

- the minimum number and simplest of partnership structures, consistent with delivering the required outcomes and statutory requirements;
- a North Yorkshire and York approach to county / sub-regional partnership structures as far as possible, recognising that a degree of pragmatism will be required given the different local authority structures in North Yorkshire and York;
- local partnerships, including shared community engagement arrangements, at the most appropriate local level; and
- the use of task and finish groups to deal with particular issues, rather than standing thematic partnerships or sub-groups.

3.2 LGNYY also agreed that rationalisation of partnership structures is not about stopping partners working together - partnership working should be encouraged, but partnership structures should only exist where they add value and are efficient.

3.3 One partnership has been added to Appendix 1 this year:

- Scarborough, Whitby, Filey Opportunity Area (CYPS) - this partnership is in the early stages of formation and many of the arrangements are still to be determined in discussion with the Department for Education and local partners. Currently the partnership is identified as having a low overall risk rating but this may change depending on the final arrangements.

3.4 Two partnerships, which were included in Appendix 1 last year, have been removed:

- Leeds City Region Housing and Regeneration Board (BES) - now subsumed within the West Yorkshire Combined Authority.
- Yorkshire European Regional Development Fund Local Management Committee (BES) - this provided strategic leadership of the 2007/13 Yorkshire and the Humber ERDF competitiveness programme, which has now ended.

- 3.5 No partnerships are identified as having a high overall risk rating (unchanged since the previous annual report).
- 3.6 19 partnerships are identified as having a medium overall risk rating (compared to 17 in the previous annual report). Two partnerships have newly been identified as having a medium overall risk rating:
- North Eastern Inshore Fisheries and Conservation Authority (BES) - the overall risk rating has increased from low to medium because of the size of the gross contribution from NYCC (a statutory levy rather than a voluntary contribution). In addition the gross contribution from NYCC may have to significantly increase if the purchase of a new boat is agreed by the Authority.
  - Transforming Care (HAS) - the overall risk rating has increased from low to medium because of the changed arrangements in health commissioning due to the dissolution of the Partnership Commissioning Unit and implications for individual care package costs for individuals.
- 3.7 One partnership reported a governance failure during 2016/17 - meetings of the Board of Rail North Ltd have not been quorate. To reduce the risk of this in future the company members have appointed a formal deputy (registered at Companies House) for each company director.
- 3.8 Directors continue to review on an ongoing basis the number of partnership arrangements that officers are actively involved in and to determine their strategic importance and the impact if the partnership were to be dissolved.
- 3.9 In addition, during the preparation of the annual report, Executive Members in conjunction with officers of each Directorate have given consideration to the governance and monitoring arrangements of partnerships relating to the Directorate.
- 3.10 There is a clear national agenda for closer working between the NHS and Social Care. This manifests itself in various ways including the Better Care Fund, Integration Plans and the Health and Wellbeing Board. There are also numerous areas of activity at the more local level where the County Council is seeking to develop better working arrangements with various parts of the NHS. There are numerous cultural and operational issues that will need to be addressed as part of this closer working agenda and it is highly likely that there will be further legislation and direction from Government that will also necessitate change. It is therefore not possible to capture these issues in a single entry within Appendix 1, but it is felt appropriate that the Audit Committee is made aware of the direction of travel. Any partnerships that

materialise in the future will clearly be included within Appendix 1 of future annual reports.

#### **4.0 Arrangements in place to monitor partnerships**

- 4.1 Appendix 1 summarises information on the governance and reporting arrangements for each partnership as at 31 March 2017, together with their key achievements for 2016/17 and key issues and priorities for 2017/18.
- 4.2 The wide range of partnerships, and their differing roles, means a 'one size fits all' approach to reporting is neither practical nor appropriate. In this context, reporting arrangements cover:
- key issues, including service issues;
  - any specific issues relating to the management of the partnerships; and
  - routine reporting on financial or other performance, highlighting variances to budgets or performance plans.
- 4.3 All reporting arrangements need to be appropriate and commensurate to the role of the partnership and what it seeks to achieve. The term partnership is used to cover a wide range of different approaches. Some (for example the Children's Trust), are a coming together of partners with separate budgets to jointly plan and align their organisations' activity. Others (for example Supporting People) are a delivery mechanism for joint budgets and joint decisions, where the County Council is the accountable body.
- 4.4 Data from partnership working is included in a range of more general updates, including those submitted to the Executive as part of the Quarterly Performance Monitoring reports. There are some examples of formalised reporting from particular partnerships to the County Council at either Executive, Executive Member or Area Committee level. More often however, the data from partnerships is not readily separated from the more general level of reporting and, in many cases, to do so would result in duplication.
- 4.5 It is essential to ensure that partnership arrangements reflect appropriately the significance of the issues arising in the partnership within the overall framework of the monitoring arrangements involving Members. There is a need to avoid the risk of providing an unnecessarily detailed analysis for relatively small partnership working areas.
- 4.6 The governance arrangements of all partnerships with a high or medium overall risk rating have been reviewed by officers from Legal and Democratic Services to ensure that robust arrangements are in place to protect the interests of the partnership and, in particular, of the County Council. The review considers the written governance documents of the partnership to check that they are fit for purpose. Partnerships with a low overall risk rating

are not reviewed unless there are any exceptional reasons for doing so. If any concerns are identified, officers from Legal and Democratic Services liaise with the lead officer for the partnership concerned to offer advice and support and ensure that appropriate corrective action is taken to rectify the concerns.

- 4.7 Previously there was no policy regarding the frequency of review of governance arrangements of partnerships with a high or medium overall risk rating by officers from Legal and Democratic Services. It has now been agreed that a review should be undertaken within twelve months of a partnership being first rated as having a medium or high overall risk rating, and then repeated every three years for partnerships which continue to have a high overall risk rating and every five years for partnerships which continue to have a medium overall risk rating.

## **5.0 Recommendations**

5.1 It is recommended that the Audit Committee:

- (a) Receives this annual report on partnership governance;
- (b) Notes the arrangements in place to ensure good governance and reporting of partnership activity; and
- (c) Notes the contents of the schedule of partnerships that were within the scope of this report as at 31 March 2017 (Appendix 1).

Neil Irving  
Assistant Director (Policy and Partnerships)

6 June 2017

### **Appendices:**

Appendix 1 - Partnerships that were within the scope of this report as at 31 March 2017

Partnership	Lead Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last review and action taken as a result	Key achievements 2016/17	Issues and priorities 2017/18	Have there been any governance failures in 2016/17?  Yes / No If yes, outline	Membership and governance arrangements of partnership	Link to governance document / terms of reference if published on internet	Annual partnership expenditure and main sources of income	Accountable body	NYCC budget contribution (in addition to officer time)	Which NYCC elected member body does the partnership report to and how often?	NYCC elected member(s) directly involved in partnership and role they play	Any issues (eg decision making, accountability, transparency, key policy areas)?  Yes / No If yes, outline	NYCC lead officer	NYCC finance officer	Risk factors (H / M / L)					Overall partnership risk rating  High / Medium / Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result
																		1 Probability of governance failure	2 NYCC objectives	3 NYCC financial	4 NYCC services	5 NYCC reputation		
<b>Strategic sub-regional and regional partnerships</b>																		1	2	3	4	5		
Local Government North Yorkshire and York (LGNYY)	CS	2	To promote effective working between local authorities and to ensure wider local authority representation, collaboration and co operation on a sub-regional basis and effective sub-regional representation at regional and national levels.	2011. Reduced number of specialist boards.	Discussions have primarily focused on a potential devolution deal with government.	Potential devolution deal with government.	No	Leaders of all local authorities and national park authorities. Written terms of reference. East Riding of Yorkshire Council also attend meetings.	<a href="http://www.nypartnerships.org.uk/index.aspx?articleid=16814">www.nypartnerships.org.uk/index.aspx?articleid=16814</a>	No budget; NYCC provides officer time for secretariat.	n/a	No budget.	No routine report to NYCC elected member body, any issues feed in to County Council processes in the usual way.	Cllr Carl Les - member.	No	Richard Flinton	n/a	L	M	L	L	M	L	n/a
NYC Chief Executives Group	CS	2	To provide leadership and coordination across sub-regional partnership structures and public services generally and to advise LGNYC.	2011. Created to support LGNYC; replaced NYSP Executive.	Discussions have primarily focused on a potential devolution deal with government and other countywide strategy issues.	Potential devolution deal with government and other countywide strategy issues.	No	Chief executives of local authorities and key local public sector partners. Written terms of reference. East Riding of Yorkshire Council also attend meetings.	<a href="http://www.nypartnerships.org.uk/index.aspx?articleid=16813">www.nypartnerships.org.uk/index.aspx?articleid=16813</a>	No budget; NYCC provides officer time for secretariat.	n/a	No budget	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	None	No	Richard Flinton	n/a	L	M	L	L	M	L	n/a
North Yorkshire Local Resilience Forum	CS	1	To ensure effective delivery of statutory duties under the Civil Contingencies Act 2004 that need to be developed in a multi-agency environment.	2012 - review by NYLRF members approved new governance structures and role of secretariat.	1. Development and implementation of Response to Major and Critical Incidents and information sharing procedure to provide early warning of incidents. 2. Gold level symposium for partner agency chief and senior officers. 3. Silver and Bronze level training. 4. Ongoing risk assessment against Community Risk Register. 5. Ongoing emergency resilience in the community.	1. Gold, silver and bronze level training. 2. NYLRF strategic priorities reviews to be determined.	No	Multi-agency partnership to carry out statutory duties as defined by the Civil Contingencies Act plus additional legislation. Written governance document.	<a href="http://www.nypartnerships.org.uk/index.aspx?articleid=16828">www.nypartnerships.org.uk/index.aspx?articleid=16828</a>	Secretariat provided by NYCC and funded by partners (£39k). Training & exercise budget funded by partners (varies, around £10k per year).	NYCC	NYCC contribution of £10k towards total cost of £39k for secretariat. Until April 2011 NYCC covered the full cost.	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	None	No	Neil Irving	Michael Leah	L	M	L	M	H	M	April 2017. Governance arrangements are satisfactory.
North Yorkshire Community Safety Partnership	CS	1	The purpose of the CSP is to bring together the responsible authorities, supported by other relevant organisations, to fulfil their statutory responsibilities to work together under the Crime and Disorder Act 1998 (as amended).	Established October 2014.	1. Supporting development of the management of community safety hubs. 2. Reviewed Domestic Homicide Review procedures. 3) developed & implementation of NY CSP Delivery plan. 4) Communications Strategy/Plan.	1. NY CSP Development. 2. Protecting Vulnerable People (Domestic Abuse, Cybercrime, Fraud, Prevent). 3. Evaluation of the Integrated Hubs. 4. Connectivity with other linked partnerships. 5. Communications.	No	Senior officer of key local community safety partners (responsible authorities) and other relevant organisations. NYCC provides the secretariat to the partnership.	<a href="http://www.nypartnerships.org.uk/index.aspx?articleid=16828">www.nypartnerships.org.uk/index.aspx?articleid=16828</a>	No budget; NYCC provides officer time for secretariat.	n/a	No budget.	Corporate & Partnerships Overview and Scrutiny Committee in its role as statutory crime and disorder committee.	None	No	Neil Irving	n/a	L	L	L	L	M	L	n/a
York and North Yorkshire Prevent Strategic Board	CS	2	To provide leadership across the Prevent (counter-terrorism) agenda.	2014. Replaced Prevent Implementation Board.	1. Second Making the link Conference June 2016. 2. Developed multi agency practise guidance "Working with individuals who are vulnerable to extremism". 3. Delivered ideology training to safeguarding practitioners. 4. Trained WRAP facilitators. 6. Coordination and evaluation of the "Stand for it?" productions within NY secondary schools. 7. Supported Channel Panel.	1. Coordinate further delivery of Saltmine productions within NY secondary schools. 2. Professional roadshows and events for communities. 3. Prevent graphic novel. 4. Prevent Peer Review.	No	Officers of key partners. City of York Council provides the secretariat.		No budget.	n/a	No budget.	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	None	No	Neil Irving	n/a	L	L	L	M	M	L	n/a

Partnership	Lead Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last review and action taken as a result	Key achievements 2016/17	Issues and priorities 2017/18	Have there been any governance failures in 2016/17?  Yes / No If yes, outline	Membership and governance arrangements of partnership	Link to governance document / terms of reference if published on internet	Annual partnership expenditure and main sources of income	Accountable body	NYCC budget contribution (in addition to officer time)	Which NYCC elected member body does the partnership report to and how often?	NYCC elected member(s) directly involved in partnership and role they play	Any issues (eg decision making, accountability, transparency, key policy areas)?  Yes / No If yes, outline	NYCC lead officer	NYCC finance officer	Risk factors (H / M / L)					Overall partnership risk rating  High / Medium / Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result
																		1 Probability of governance failure	2 NYCC objectives	3 NYCC financial	4 NYCC services	5 NYCC reputation		
Superfast North Yorkshire (SFNY)	CS	2, 3	To bring the advantages of superfast broadband to as many businesses and citizens in North Yorkshire with the resources available.	The SFNY Governance Board meets on a regular basis to oversee / manage all aspects of the SFNY project.	Making substantial progress with Phase 2, which is due to complete summer of 2017. Secured funding and made substantial progress with the procurement of Phase 3. Establishment of the Better Broadband Subsidy Scheme.	Completion of Phase 2 by June 2017 (15,000 premises). Secure procurement and commence rollout of Phase 3 (£20.5m).	No	Members and officers of NYCC, representative of Broadband Delivery UK (BDUK).		Phase 1 £26.5m offset by BDUK/ERDF grants. Phase 2 £8m (£5m BDUK/ERDF, £3m NYCC). Project management by NYnet/NYnet 100, £1.6m NYCC. Phase 3 minimum £20.5m secured from BDUK/NYCC/ESIF.	NYCC for BDUK, ESIF and ERDF funding. NYnet is the 'managing agent' for NYCC.	Project costs are borne by NYnet 100. Phase 3 proposed capital funding of £12m from NYCC approved.	Reports to Executive when key decisions are required.	Cllr Don McKenzie (Chair), Cllr Carl Les as Board Member.	Procuring the best possible contract for the Phase 3 investment and considering the approach to the properties left below NGA access.	Gary Fielding	Gary Fielding	L	M	H	M	H	M	April 2017. Procurement, BT contract, grant agreements and programme development managed by NYnet with Legal Services support. Appropriate governance arrangements.
Yorkshire & Humber (Local Authorities) Employers' Association (formerly the Regional Employers Organisation)	CS	4	Member-led partnership of local authorities in Yorkshire and Humber - share information and intelligence and provide a stronger collective voice on national issues in the areas of employee relations and pay and terms and conditions.	New governance arrangements established from April 2015 following dissolution of LGYH.	Met to address pay and workforce issues for authorities, take account of relevant legal developments, shared practice and actions and inputted into national pay negotiations. Ensured authorities are aware of national developments and actions/issues stemming from these.	Both the Regional Employers Committee and the Employers Organisation will continue to ensure local authorities in the region are involved in, informed or and as appropriate, supported in dealing with national and regional workforce issues.	No	All activity governed by individual and collective views of participating local authorities via the reps attending.		EO's core income from its membership's affiliation fees. Total expenditure is greater, but covered from external income.	EO is an independent body, established utilising the legal personality of an Employers' Association.	£6k subscription.	No routine report to NYCC elected member body, any issues arising feeding into County Council processes in the usual way.	Cllr John Blackburn	The 2 EO staff are part of West Yorkshire Pension Fund and if EO disbanded NYCC might be asked to contribute to any pension deficit.	Justine Brooksbank	n/a	L	M	L	L	L	L	n/a
Information sharing protocol	CS	4	Promote data sharing and thus improve service delivery.	Established March 2015.	Agreed and published protocol, and attracted new partners.	To continue to engage all relevant partners to sign up to the protocol.	No	NYCC, NY district councils (excluding Hambleton District Council), City of York Council, NHS CCGs, NHS Foundation Trusts, NY Fire & Rescue Service, NY Police, Veritau Ltd/Veritau North Yorkshire Ltd., housing providers.	<a href="http://www.northyorks.gov.uk/article/30517/Information-sharing">www.northyorks.gov.uk/article/30517/Information-sharing</a>	none	none	none	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	None	Gary Fielding	n/a	L	L	L	M	M	L	n/a	
North Yorkshire Older Peoples Forum Plus	CS	4	Quarterly meeting of the North Yorkshire Forum for Older People with NYCC, district councils, NHS and police.	Autumn 2014.	Providing a forum for engagement and consultation with representative forums of older people on issues including Stronger Communities, and adult social care.	Providing a forum for engagement and consultation with representative forums of older people on issues including library reconfiguration, Stronger Communities, and adult social care.	No	Representatives of North Yorkshire Forum for Older People, NYCC, district councils, NHS and police. Written terms of reference. North Yorkshire Forum for Older People provides the secretariat.		No budget	n/a	No budget.	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	Some area committee older people champions attend.	No	Neil Irving	n/a	L	L	L	L	L	L	n/a
LGNYY Spatial Planning and Transport Board	BES	2	To provide strategic advice, direction and leadership on spatial planning and transport matters. Enable implementation of the Duty to Cooperate in plan making at a political level.	2016 - review of reporting arrangements and relationship to other LGNYY structures.	Support implementation of Duty to Cooperate in local plan-making.	To meet quarterly - direction to be provided by YNER Heads of Planning and Directors of Development.	No (but infrequency of meetings addressed by review of reporting arrangements)	One Cllr from each local authority. Written terms of reference. Secretariat function provided by City of York Council.		No allocated budget. No income streams identified to date. Secretariat function provided by City of York Council.	n/a	Officer time only.	No routine report to NYCC elected member body, but regular report to LGNYY, with any issues arising feeding in to County Council processes in the usual way.	Cllr Chris Metcalfe - member.	No	David Bowe / Carl Bunnage	n/a	L	L	L	L	L	L	n/a

Partnership	Lead Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last review and action taken as a result	Key achievements 2016/17	Issues and priorities 2017/18	Have there been any governance failures in 2016/17? Yes / No If yes, outline	Membership and governance arrangements of partnership	Link to governance document / terms of reference if published on internet	Annual partnership expenditure and main sources of income	Accountable body	NYCC budget contribution (in addition to officer time)	Which NYCC elected member body does the partnership report to and how often?	NYCC elected member(s) directly involved in partnership and role they play	Any issues (eg decision making, accountability, transparency, key policy areas)? Yes / No If yes, outline	NYCC lead officer	NYCC finance officer	Risk factors (H / M / L) 1 Probability of governance failure 2 NYCC objectives 3 NYCC financial 4 NYCC services 5 NYCC reputation	Overall partnership risk rating High / Medium / Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result
LGNYY Housing Board	BES / HAS	2, 3	Identifying and responding to key housing issues; agreeing and managing the delivery of strategic housing investment priorities; undertaking sub regional research; and encouraging both innovative and consistent sub regional working across North Yorkshire.	2016 - adding membership of ERYC and representation from private developer sector and Registered Providers (Housing Associations).	Implementation and performance management of ambitions in YNYER Housing Strategy. Delivery of 4,633 new homes including 659 affordable homes (175 through Rural Housing Enabler programme). Monitoring of delivery across all tenures, securing external funding to support delivery from HCA and Community Housing Fund.	Support increased level and pace of delivery of housing across all tenures. Maintain delivery of rural affordable housing through the Rural Housing Enablers programme and secure its sustainable future.	No	One Cllr from local authority and reps of key partners. Written terms of reference.	<a href="http://www.nycyehousing.co.uk/home/housing-board">www.nycyehousing.co.uk/home/housing-board</a>	Circa £160k pa (partnership costs plus rural housing enablers programme). Partnership posts funded by LA and YNYER LEP (£8K contributions; RHE programme funded by LAs / Registered Provider / Leeds City Region / NYCC.	Hambleton District Council, including employer of partnership staff.	£6.5k contribution from Public Health budget per year 2015/16 to 2018/19 towards Rural Housing Enablers Programme and Housing Strategy Manager post.	No routine report to NYCC elected member body but regular report to LGNYY, with any issues arising feeding in to County Council processes in the usual way.	Cllr Chris Metcalfe - member.	No	Carl Bunnage (BES) / Dale Owens HAS)	Michael Leah	L M L M L	L	n/a
York, North Yorkshire & East Riding Local Enterprise Partnership	BES	2	The primary role of the LEP is provide strategic leadership to maximise the economic growth and job creation across York, North Yorkshire & East Riding. It is a public private partnership and its remit covers Business Growth, Skills and Infrastructure.	Partnership Assessment was completed in March 2013. LEPs are core to the government growth agenda and integral part of discussions surrounding devolution.	£21.3m Growth Deal investment delivered on budget, on time. 4000 small businesses supported. 20 Schools Implementing Quality Assured Careers Advice. 39 Schools engaged in Careers & Enterprise Advice. Apprenticeship Strategy launched.	Continued Implementation of Growth Deal. Delivery of ESIF Projects and allocation of outstanding funding. Strategic response to Brexit & Industrial Strategy. Support devolution developments.	No	Main LEP Board - Business led partnership (9 business reps, 6 local authority reps). Written governance document. Skills & Infrastructure Programme Boards below LEP Board.	<a href="http://www.businessinspiredgrowth.com/about-the-lep/">www.businessinspiredgrowth.com/about-the-lep/</a>	NYCC £204k, City of York £40.5k, East Riding £60.75k, 7 x Districts £20.25k, total £447k. BIS Funding £500k. Investment Funds including: Growing Places Fund (£9.4m) (to be used as a revolving fund).	NYCC	The Council's Economic & Partnership Unit has a NYCC budget of £204k and staff in the unit provide support to the LEP.	No routine report to NYCC elected member body, although any issues requiring decisions or reports will be fed in through normal processes.	Cllr Carl Les	No	James Farrar	Michael Leah	L H L H L H	M	November 2014. Veritau audit completed. Written constitution in place. Revised assurance framework signed off by NYCC S151 Officer annually in February.
Leeds City Region Local Enterprise Partnership	BES	2	To direct LCR policy in relation to economic development, transport, skills and infrastructure. On-going engagement continues, with the NYCC Leader maintaining a position on the LCR LEP Board. Primarily focused on transport and infrastructure. Potential risk through City Deal and plans for pooling of monies.	None undertaken.	1. Refresh of LCR Strategic Economic Plan. 2. Establishment of LCR (M1/M62 corridor) Enterprise Zone. With the devolution agenda, NYCC focus has been very much on YNYER LEP.	Deliver and implement refreshed LCR Strategic Economic Plan to accelerate growth; create a further £5.2bn in economic output and create an additional 62,000 jobs with focus on: supporting growing businesses; skills and jobs; resource efficiency; and infrastructure for growth.	No	Business led partnership (business reps and local authority reps, including NYCC rep). Written governance document.	<a href="http://www.the-lep.com/about-governance-and-funding/">www.the-lep.com/about-governance-and-funding/</a>	Circa £36m Growing Places Fund. Circa £1.4b City Deal (TBC). Circa £500m Infrastructure Fund (TBC).	Leeds City Council	Officer time only	No routine report to NYCC elected member body, although any issues requiring decisions or reports will be fed in through normal processes.	Cllr Carl Les	Need to monitor impact of West Yorkshire Combined Authority.	James Farrar	n/a	M M L L M M	M	May 2014. NYCC not accountable body for LEP and essentially devotes time of members and officers to partnership working. Appropriate governance arrangements.
Leeds City Region Leaders Board	BES	2	To direct LCR policy and lead decision making in relation to housing, transport, and planning matters.	Unknown.	With the devolution agenda the focus has been very much on YNYER. However key LCR achievement 2016/17 has been the refreshing of the LCR SEP.	Deliver and implement refreshed LCR Strategic Economic Plan to accelerate growth; create a further £5.2bn in economic output and create an additional 62,000 jobs with focus on: supporting growing businesses; skills and jobs; resource efficiency; and infrastructure for growth.	No	Local Authority Leaders. Written governance document.		Circa £1.6m expenditure. Primarily funded by LA subscriptions and Government grant.	Leeds City Council	£37,428 contribution to LCR (2016/17). Contribution 2017/18 to be confirmed but anticipated to be similar.	No routine report to NYCC elected member body but regular report to LGNYY, with any issues arising feeding in to County Council processes in the usual way.	Cllr Carl Les	No	David Bowe / Carl Bunnage	Michael Leah	L L L L M L	L	n/a
<b>Local strategic and community safety partnerships</b>																				
Craven Local Delivery Team	CS	2, 3	Bring together operational managers of responsible authorities and others to ensure the delivery of the NYCSP Plan in the district; protect communities from crime and disorder and help people feel safer; deal with local community safety issues; assess local crime and disorder priorities and consult partners and the local community about how to deal with them.	First meeting January 2015.	Campaigns on dangers of driving whilst using a mobile phone and danger of parking outside schools. Country watch initiative. Multi-Agency Problem Solving Group meetings (MAPS). Continue to identify any vulnerable individuals/communities in Craven, especially where anti-social behaviour is a factor. Now encompasses the PREVENT agenda and Business Crime Reduction Partnership.	Domestic abuse Road safety Serious and Organised Crime Drugs and Alcohol Anti-social Behaviour Reducing Reoffending	No.	Senior reps (members and officers) of key local community safety partners. Written governance document.		Craven District Council provides £10k to the partnership. Other income is from the PCC to be spent on projects/project delivery	Craven District Council	None	Craven Area Committee - annually.	No	Neil Irving	n/a		L L L L M L	L	n/a

Partnership	Lead Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last review and action taken as a result	Key achievements 2016/17	Issues and priorities 2017/18	Have there been any governance failures in 2016/17? Yes / No If yes, outline	Membership and governance arrangements of partnership	Link to governance document / terms of reference if published on internet	Annual partnership expenditure and main sources of income	Accountable body	NYCC budget contribution (in addition to officer time)	Which NYCC elected member does the partnership report to and how often?	NYCC elected member(s) directly involved in partnership and role they play	Any issues (eg decision making, accountability, transparency, key policy areas)? Yes / No If yes, outline	NYCC lead officer	NYCC finance officer	Risk factors (H / M / L)					Overall partnership risk rating High / Medium / Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result
																		1 Probability of governance failure	2 NYCC objectives	3 NYCC financial	4 NYCC services	5 NYCC reputation		
Hambleton Local Delivery Team	CS	2, 3	Bring together operational managers of responsible authorities and others to ensure the delivery of the NYCSP Plan in the district; protect communities from crime and disorder and help people feel safer; deal with local community safety issues; assess local crime and disorder priorities and consult partners and the local community about how to deal with them.	First meeting October 2014.	Development and use of new ASB powers with partners as part of the multi agency problem solving process. Introduction of Traffic Bureau processes into Road Safety Speed Matrix meeting. Delivered projects to respond to emerging trends and issues as well as supporting local organisations to provide required services. Delivered WRAP training sessions. Development of Northallerton Street Angels project.	Domestic abuse Road safety Serious and Organised Crime Drugs and Alcohol Anti-social Behaviour Reducing Reoffending	No	Senior reps (members and officers) of key local community safety partners. Written governance document.		Hambleton District Council covers incidental costs and partnership support. In addition it has provided a one-off allocation of £20k to the partnership. Other income is from the PCC to be spent on projects/project delivery	Hambleton District Council	None	County Committee for Hambleton - annually	Cllr Heather Moorhouse	No	Neil Irving	n/a	L	L	L	M	L	n/a	
Harrogate District Community Safety Group	CS	2, 3	Bring together operational managers of responsible authorities and others to ensure the delivery of the NYCSP Plan in the district; protect communities from crime and disorder and help people feel safer; deal with local community safety issues; assess local crime and disorder priorities and consult partners and the local community about how to deal with them.	First meeting January 2014.	Introduction of VEMT process. Awareness raising re CSE and programme within schools. Continued problem solving work involving young people. Business Crime re-accreditation with distinction.	Domestic abuse Road safety Serious and Organised Crime Drugs and Alcohol Anti-social Behaviour Reducing Reoffending	No	Senior reps (officers) of key local public sector partners. Written terms of reference.		Harrogate Borough Council covers incidental costs and partnership support (£10k). Also 1.75 FTE. Other income is from the PCC to be spent on projects/project delivery.	Harrogate Borough Council	None	County Area Committee for the Harrogate District - annually	Cllr Cliff Trotter	No	Neil Irving	n/a	L	L	L	M	L	n/a	
Harrogate District Public Services Leadership Board	CS	2, 3	To lead and support the design and delivery of quality services that are efficient, innovative and reflect the specific needs and priorities of our local communities; ensuring better outcomes and improving the lives of local people.	Terms of reference reviewed February 2016.	Credit Union launched October 2015. Financial Inclusion Strategy and Welfare Reform Action plan agreed. Community directory project. New Care Models Programme - pilot local integrated team to serve Knaresborough, Boroughbridge and Green Hammerton.	Employment & Skills; Financial & Social Inclusion; Health & Wellbeing; and Sustainable Public Service provision across the Harrogate District.	No	Officers of local agencies. Written governance document.	<a href="http://www.harrogate.gov.uk/info/20124/partnership_working/319/partnerships">www.harrogate.gov.uk/info/20124/partnership_working/319/partnerships</a>	Harrogate Borough Council covers incidental costs and partnership support.	Harrogate Borough Council	None	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	No	Neil Irving	n/a	L	L	L	M	L	n/a		
Richmondshire Local Delivery Team	CS	2, 3	Bring together operational managers of responsible authorities and others to ensure the delivery of the NYCSP Plan in the district; protect communities from crime and disorder and help people feel safer; deal with local community safety issues; assess local crime and disorder priorities and consult partners and the local community about how to deal with them.	First meeting October 2014.	Development and use of new ASB powers with partners. Introduction of Traffic Bureau processes into Road Safety Speed Matrix meeting. Delivered WRAP training sessions. Developed and delivered Being OK programme with identified young people. Facilitated CSE training for partners and businesses.	Domestic abuse Road safety Serious and Organised Crime Drugs and Alcohol Anti-social Behaviour Reducing Reoffending	No	Senior reps (members and officers) of key local community safety partners. Written governance document.		Richmondshire District Council covers incidental costs and partnership support. Other income is from the PCC to be spent on projects/project delivery.	Richmondshire District Council	No budget.	Richmondshire Area Committee - annually.	Cllr Michael Heseltine (to December 2016)	No	Neil Irving	n/a	L	L	L	M	L	n/a	
Ryedale Local Delivery Team	CS	2, 3	Bring together operational managers of responsible authorities and others to ensure the delivery of the NYCSP Plan in the district; protect communities from crime and disorder and help people feel safer; deal with local community safety issues; assess local crime and disorder priorities and consult partners and the local community about how to deal with them.	First meeting Spring 2015.	Monthly Multi Agency Tasking Meetings attended by key partners.	Domestic abuse Road safety Serious and Organised Crime Drugs and Alcohol Anti-social Behaviour Reducing Reoffending	No	Senior reps (members and officers) of key local partners. Written governance document.		Ryedale District Council covers incidental costs and partnership support. Other income is from the PCC to be spent on projects/project delivery.	Ryedale District Council	None	Ryedale Area Committee - annually.	Cllr Val Arnold	No	Neil Irving	n/a	L	L	L	M	L	n/a	



Partnership	Lead Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last review and action taken as a result	Key achievements 2016/17	Issues and priorities 2017/18	Have there been any governance failures in 2016/17?  Yes / No If yes, outline	Membership and governance arrangements of partnership	Link to governance document / terms of reference if published on internet	Annual partnership expenditure and main sources of income	Accountable body	NYCC budget contribution (in addition to officer time)	Which NYCC elected member body does the partnership report to and how often?	NYCC elected member(s) directly involved in partnership and role they play	Any issues (eg decision making, accountability, transparency, key policy areas)?  Yes / No If yes, outline	NYCC lead officer	NYCC finance officer	Risk factors (H / M / L)					Overall partnership risk rating  High / Medium / Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result
																		1 Probability of governance failure	2 NYCC objectives	3 NYCC financial	4 NYCC services	5 NYCC reputation		
Local Public Service Executive (Scarborough district) (includes Local Delivery Team function)	CS	2, 3	Identify opportunities to reduce costs of service delivery by removing waste and duplication; sharing overheads and support services and rationalising estate and assets. Identify key emerging issues for the Borough and negotiate changes to services and service delivery models which might better deliver outcomes for people.	October 2015	Development of Community Wellbeing Hubs (x3). Development and expansion of Community Impact Team. Review of Multi-Agency Problem Solving Arrangements.	Successful delivery of Community Well being Hubs (and extension of the programme). Formal evaluation of the Community Impact Team. Closer working re. shared assets and estates. Support for the Ambitions for Health programme.	No	Senior reps (officers) of key local public sector partners. Written terms of reference. Chaired by SBC Cabinet Member.		Scarborough Borough Council covers incidental costs and partnership support.	Scarborough Borough Council	None	Yorkshire Coast and Moors County Area Committee in respect of community safety issues - annually.	None	No	Neil Irving	n/a	L	L	L	L	M	L	n/a
Selby District Local Delivery Team	CS	2, 3	Bring together operational managers of responsible authorities and others to ensure the delivery of the NYCSP Plan in the district; protect communities from crime and disorder and help people feel safer; deal with local community safety issues; assess local crime and disorder priorities and consult partners and the local community about how to deal with them.	Review in September 2015 - now Strategic LDT group meeting every two months and wider LDT group meeting every six months.	Supported the development of Integrated Hub. Undertook campaign to raise awareness of Hate Crime.	Priorities for 2016/17 are Prevent, reducing crime and antisocial behaviour, reducing the fear of crime and antisocial behaviour, making our town centres a place where people want to visit and stay, supporting young people who are at risk of being drawn into crime and antisocial behaviour, supporting the development of the Safer Selby Hub.	No	Senior reps (members and officers) of key local community safety partners. Written governance document.		Selby District Council covers incidental costs and partnership support. Other income is from the PCC to be spent on projects/project delivery	Selby District Council	None	Selby Area Committee - annually.	Cllr Steve Shaw-Wright	No	Neil Irving	n/a	L	L	L	L	M	L	n/a
<b>BES</b>																								
Local Access Forum	BES	1	The County Council is required to set up and convene a LAF by Statute (CRoW Act 2000).	Review of the governance in July 2015, culminated in recruitment exercise and reconstitution of the LAF in December 2015.	Responded to District Council Local Development Plans and NYCC Joint Minerals and Waste Plan. Actively responding to District and County planning applications with nominated LAF member for each District. Attend Regional LAF. Influenced NYCC practice in relation to use of volunteers. Commented on Countryside Access Service review and maintenance prioritisation consultation.	Continuation of current arrangements and provision of strategic advice on access matters affecting NYCC's Countryside Access and Highways Services.	No	LAF purpose set out in statute with agreed terms of reference.	<a href="http://www.naturalengland.org.uk/ourwork/access/laf/">www.naturalengland.org.uk/ourwork/access/laf/</a>	No budget; NYCC provides officer time for secretariat.	NYCC	No budget - costs are officer time, admin support and meeting rooms.	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	Cllr John Fort, Cllr Robert Heseltine, Cllr David Jeffels - members	No	Ian Kelly	Michael Leah	L	M	L	L	M	L	n/a
E Crime Project	BES	2, 3	NYCC & City of York Council to deliver the national E-Crime sub project 1 in order to undertake E-Crime enforcement and to also co-ordinate national enforcement activity.	Review undertaken during 2016. No further action required.	Preliminary work for four major 'Copycat Website' trials in 2017/18 completed and legal challenges successfully challenged.	To successfully prosecute the four 'Copycat Website' trials. Total Crown Court time listed for the four trials is 48 weeks. 16 defendants and over 900 witnesses. Total consumer detriment over £54m.	No	Back to Back agreement in place between NYCC & CYC.		Projected outturn for 2016/17 for sub-project 1 is £616k, funded by central government direct grant.	NYCC	Grant funded (circa £0.6m p.a. for set up with conditions). Grant is subject to audit. NYCC contribution of officer time.	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	No	Mike Andrews	Michael Leah	L	L	H	L	H	M	April 2017. No concerns noted.	
North Yorkshire, York and North York Moors Minerals and Waste Plan	BES	1, 2	Production of joint mineral and waste local plan (development plan document).	On-going	Progression of Plan from Preferred Options to Publication stage.	Submission of Plan for Examination in Public early/mid 2017.	No	Officer steering group. NYCC informal member input via the MWDF member working group and new Joint Member Working Group. Executive member/Executive sign-off at key project stages.		Estimated at circa £90k.	No official Accountable Body - joint responsibility, although NYCC would typically take lead role.	TBC - Indicative up to £50k	Informal reporting to MWDF member working group and new Joint Member Working Group. Executive member/Executive sign off at key project stages.	Cllr Chris Metcalfe (planning portfolio holder); Chairman of MWDF member working group)	No	Rob Smith	Michael Leah	L	M	L	M	M	L	n/a

Partnership	Lead Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last review and action taken as a result	Key achievements 2016/17	Issues and priorities 2017/18	Have there been any governance failures in 2016/17?  Yes / No If yes, outline	Membership and governance arrangements of partnership	Link to governance document / terms of reference if published on internet	Annual partnership expenditure and main sources of income	Accountable body	NYCC budget contribution (in addition to officer time)	Which NYCC elected member does the partnership report to and how often?	NYCC elected member(s) directly involved in partnership and role they play	Any issues (eg decision making, accountability, transparency, key policy areas)?  Yes / No If yes, outline	NYCC lead officer	NYCC finance officer	Risk factors (H / M / L)					Overall partnership risk rating  High / Medium / Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result
																		1 Probability of governance failure	2 NYCC objectives	3 NYCC financial	4 NYCC services	5 NYCC reputation		
York & North Yorkshire Waste Partnership	BES	2, 3	Delivering efficient waste management services that are in the best interests of the council tax payers of York & North Yorkshire - annual cost (value) of waste management in the sub-region (Inc. Yorwaste) is circa £80M. Continue to ensure delivery and review of joint waste strategy 'Lets talk less rubbish'.	Full review completed during 2011/12 and new structure put in place from April 2012.	Progress made on project to look at a harmonised collection system across the partnership area.	Complete harmonisation project. City of York Council to host Partnership Manager and assume accountable body status.	No	Portfolio holders for waste management at each of the partner authorities; overarching governance through LGNY. No formal governance document however there is a Statement of Agreed Principles (SOAP).	<a href="http://www.letstalklessrubbish.com/index.aspx?articleid=17204">www.letstalklessrubbish.com/index.aspx?articleid=17204</a>	Base budget is £64.5k. Made up of £36k districts / CYC contributions + £28.5k NYCC.	NYCC	£28.5k. NYCC acts as banker for Partnerships funds and is the financially accountable body for the Partnership.	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	None	No	Tony Norris	Michael Leah	L	L	L	H	M	April 2017. Ultimate governance through LGNY. Effective financial control. Detailed and clear strategy recorded and being adhered to. No concerns noted.	
95 Alive Road Safety Partnership	BES	2, 3	The Partnership seeks to make travelling in York and North Yorkshire safer, and act in a way that inspires the trust and confidence necessary to make people feel safer too. The role of the partnership is to develop, implement and oversee the strategies to deliver the vision.	A revised Governance framework was approved by the 95 Alive Steering Group in November 2014. The strategy is reviewed on an annual basis.	Delivery of Partnership Action Plan, partly funded by PCC surplus camera enforcement funds. Delivery of revised York & North Yorkshire Speed Management Protocol (SMP). Development of joint partnership funding bid for 2017/18 Partnership Action Plan with PCC Funding. Undertaken to develop new Partnership Road Safety Strategy. Upgraded partnership website.	Deliver 2017/18 Partnership Action Plan. Further develop delivery of SMP coordinated with NYP roll out of Community Speed Watch volunteer programme. Cyclist safety programmes to be prioritised. Review bikeability training scheme. Review of public health funded programmes.	No	Lead partners - NYCC, North Yorkshire Police, Fire & Rescue, City of York, Highways Agency, Public Health. Supporting partners - local community safety partnerships. Written governance document.		Each partner agency provides staff resource as contribution for service delivery etc. Police & Crime Commissioner £102k from surplus speed awareness course fees will be made available in 2017/18 for road safety programmes.	NYCC	NYCC fund officer time. NYCC Road Safety & Travel Awareness budget and Public Health budget closely allied to aims and delivery; total of £450k for staffing, resources and programme delivery.	Annual report to each Area Committee and to Overview & Scrutiny Committee. In addition, reports to BES Executive Members on an ad hoc basis.	None	No	Fiona Ancell	Michael Leah	M	M	M	M	M	April 2017. Signed memorandum of understanding to govern partnership. No concerns noted.	
North Yorkshire Timber Freight Quality Partnership	BES	4	Support the contribution of the forestry and timber industries to the North Yorkshire economy by ensuring that timber industries can access the timber resource whilst seeking to minimise the impact on the public road network, on local communities and on the environment.	None undertaken.	Continued communications between forestry industry and County Council. Updated online Timber Routes Map.	Maintain open lines of communication between NYCC and forestry industry. Update online Timber Routes Map. Explore external funding opportunities to support timber transport.	No	Independent Chair Jeremy Walker. Attendance by Executive Member for Highways and Transportation, Senior officers from BES, timber hauliers, forest owners and agents. Written governance document.	<a href="http://timbertransportforum.org.uk/groups/north-yorkshire">timbertransportforum.org.uk/groups/north-yorkshire</a>	Expenditure outlined in NYCC budget contribution.	NYCC	Officer time plus hire of venue for meetings (annual cost circa £170), honorarium for Chair (approx. £400 plus limited expenses). Contribution circa £500 per year towards national timber routes map.	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	Cllr Don Mackenzie - member.	No	Victoria Hutchinson / Andrew Bainbridge	Michael Leah	L	L	L	L	L	n/a	
Settle Area Freight Quality Partnership	BES	4	To provide an opportunity to develop a partnership approach to dealing with issues related to HGV traffic through the Settle Area and to utilise this partnership approach reach voluntary workable solutions through consensus and concession.	None undertaken.	No meeting held in 2016/17, but communication lines still open between quarries / haulage industry and County Council.	Maintain open lines of communication between NYCC and quarrying / haulage industry.	No	Chair Cllr Richard Welch. Attendance by officers from NYCC BES H&T, parish council representatives and quarry managers. Written governance document.	<a href="http://www.nypartnerships.org.uk/index.aspx?articleid=21234">www.nypartnerships.org.uk/index.aspx?articleid=21234</a>	£90	NYCC	Officer time. Annual expenditure limited to hire of hall for meetings (usually 1 meeting each year, cost of hire circa £60 per meeting).	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	Cllr Richard Welch - chair.	No	Ken Martin	Michael Leah	L	L	L	L	L	n/a	
Forest of Bowland AONB JAC	BES	1, 3	AONBs were established in accordance with the National Parks and Access to the Countryside Act of 1949 and the Countryside and Rights of Way Act 2000. The statutory purpose of AONBs is to conserve and enhance the natural beauty of their area. NYCC is a relevant authority in legislation.	03/11/2016 Joint Advisory Committee meeting and review. Partnership funding and Management Plan actions agreed.	Delivery of AONB environmental enhancement and improvement projects. Delivery of tourism and walking projects centred on railway stations, AONB guide and website promoting local businesses and FOB festivals, PROW improvements and maintenance work with NYCC, meadow project with farmers and community groups, grant to local sports club.	Delivery of AONB environmental enhancement and improvement projects. Dementia Friendly project delivering supported visits via rail to local farm, continue working with NYCC PROW team to improve promoted AONB routes, planning and development seminar on AONB matters, work with NY&Y Local Nature Partnership to extend and link up priority habitat within AONB.	No	Memorandum of understanding - JAC includes one NYCC elected member. There is also an Officers Steering Group.		Around £356k. 75% funding from Defra. Other contributions from Lancashire CC and 6 district councils. DEFRA funding confirmed until March 2020.	Lancashire County Council	£5,430 a year. NYCC reduced the financial contributions by 20% in 16/17.	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	Cllr Richard Welch - member.	No	Liz Small	Michael Leah	L	L	L	L	L	n/a	

Partnership	Lead Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last review and action taken as a result	Key achievements 2016/17	Issues and priorities 2017/18	Have there been any governance failures in 2016/17?  Yes / No If yes, outline	Membership and governance arrangements of partnership	Link to governance document / terms of reference if published on internet	Annual partnership expenditure and main sources of income	Accountable body	NYCC budget contribution (in addition to officer time)	Which NYCC elected member body does the partnership report to and how often?	NYCC elected member(s) directly involved in partnership and role they play	Any issues (eg decision making, accountability, transparency, key policy areas)?  Yes / No If yes, outline	NYCC lead officer	NYCC finance officer	Risk factors (H / M / L)					Overall partnership risk rating  High / Medium / Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result
																		1 Probability of governance failure	2 NYCC objectives	3 NYCC financial	4 NYCC services	5 NYCC reputation		
Nidderdale AONB JAC	BES	1, 3	AONBs were established in accordance with the National Parks and Access to the Countryside Act 1949 and the Countryside and Rights of Way Act 2000. The statutory purpose of AONBs is to conserve and enhance the natural beauty of their area. NYCC is a relevant authority in legislation.	10/11/2016 Joint Advisory Committee AGM. Partnership funding and annual work plan agreed.	Delivery of AONB environmental enhancement and improvement projects. Awarded £350K HLF 'Wild Watch' grant. Obtained facilitation grant for Upper Nidderdale. Catchment sensitive farming projects. NiddFest2016. Tour de Yorkshire cycle race programme. New tourist information point (Toft Gate).	Delivery of AONB environmental enhancement and improvement projects. Targets include development of £3million HLF bid for River Skell; restoration of Wath Mill; hay meadow restoration Washburn Valley; Dark Skies Tourism Festival.	No	Memorandum of understanding - JAC including three NYCC elected Members.		£473,220. 75% funding from Defra. Other contributions from Harrogate BC. DEFRA funding has been confirmed until March 2020.	Harrogate Borough Council	£14,800 a year. NYCC reduced the financial contributions by 20% in 16/17.	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	Cllr Mike Harrison, Cllr John Fort and Cllr Margaret Atkinson - members.	No	Liz Small	Michael Leah	L	L	L	L	L	L	n/a
Howardian Hills AONB JAC	BES	1, 3	AONBs were established in accordance with the National Parks and Access to the Countryside Act of 1949 and the Countryside and Rights of Way Act 2000. The statutory purpose of AONBs is to conserve and enhance the natural beauty of their area. NYCC is a relevant authority in legislation.	10/11/2016 Joint Advisory Committee meeting. Partnership funding agreed for 2017-18. Annual work plan for 2016/17 agreed April 2016.	Delivery of AONB environmental enhancement and improvement projects. Key achievements include delivery of Year 2 of the Monuments Management Scheme, with 49 management operations carried out; control of Himalayan balsam; participating in River Rye HLF Landscape Partnership bid.	Delivery of AONB environmental enhancement and improvement projects. Key targets include delivery of Year 3 of the Monument Management Scheme; assistance with development phase of RYEVitalise project.	No	JAC includes two NYCC elected Members. Also Officers Steering Group.		£195,000. 75% funding from Defra. Other contributions from Ryedale and Hambleton DCs, Historic England. DEFRA funding has been confirmed until March 2020.	NYCC	£30,300. NYCC reduced the financial contributions by 20% in 16/17.	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	Cllr Clare Wood and Cllr Caroline Patmore - JAC members.	No	Liz Small	Michael Leah	L	L	L	L	L	L	n/a
North Yorkshire and York Local Nature Partnership	BES	2, 3	To drive positive change in North Yorkshire and York's natural environment, taking a strategic view of opportunities linking benefits of environment, people and the economy. LNP strategy provides context for delivery. The intent to establish LNPs was announced in the 2011 Natural Environment White Paper and NPPF.	07/12/2016 Review of LNP Board meeting. LNP Strategy formally adopted June 2014.	Review of LNP strategic projects and direction by Board. New Chair appointed. 2 year LNP Development officer employed shared jointly with East Riding & Hull LNP. Priorities centre on development of environmental projects to underpin Economic Growth, Rural Economy and Health.	Development, facilitation, funding and delivery of LNP Board Priorities in coordination with LEP: Landscape Scale projects including River Catchment Partnership Projects, Data and Network development including Natural Capital Mapping, Development of Nature and Tourism projects, Coordination and Communication of Environmental Information across LNP area.	No	Senior officers of key local partners. Terms of Reference Document 2014.		£37,000 a year partnership spend on 2 year 0.5fte fixed term LNP Development Officer commenced 01/09/16. 2 year post funded by NYCC, North York Moors National Park and Howardian Hills AONB.	East Riding of Yorkshire Council (for LNP Development Officer post).	No direct contribution on an on-going basis. Provision of office for LNP Development Officer.	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	None	Liz Small	Michael Leah	L	L	L	L	L	L	n/a	
North Eastern Inshore Fisheries and Conservation Authority (NEIFCA)	BES	1, 2, 3	Marine & Coastal Access Act 2009 - duty to champion & manage a sustainable marine environment & inshore fisheries. The partnership has a membership of 30 individuals including 13 local authority Members from 11 coastal local authorities (between Tyne & NE Lincolnshire).	01/12/2016 review of management activities at quarterly meeting	Support of Filey Brigg SPA conservation measures. Enforcement activity on non-compliant fishing gear, vessels, premises. Monitoring of dredging activity, shellfish surveys. Work to source funding to replace NE IFCA's main patrol vessel. Development of North East Marine Plan with Marine Management Organisation (MMO). Completion of marine bio-diversity research surveys.	To continue to support the conservation and improvement of the Filey Brigg SPA. Enforcement and inspection activities to continue.	No	Reps from the 11 coastal Local Authorities, 14 members appointed by Marine Management Organisation and 1 member appointed by each of Marine Management Organisation, Environment Agency and Natural England.	<a href="http://www.ne-ifca.gov.uk/about-us/our-members">www.ne-ifca.gov.uk/about-us/our-members</a>	£1,031,275 (15/16). Other funding from the other coastal Local Authorities.	East Riding of Yorkshire Council	£258,266 (£54,900 of which is received as a grant from Defra).	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	Cllr David Chance & Cllr Tony Randerson - members.	NYCC tied into three year fixed levy. NYCC proportion of total levy is 22.2%. NYCC Member representation is 2. Defra currently provides a grant of £54,900 but this is not guaranteed to continue.	Liz Small	Michael Leah	L	L	H	L	L	M	April 2017. Clear constitution to formalise governance arrangements. Bring kept under review - last updated April 2016. Arrangements in constitution appear robust.
Welcome to Yorkshire (W2Y)	BES	2	NYCC contribute to W2Y as part of support for tourism in the region.	September 2011	New Website. Bike Hub & Bike Libraries in NY. Rural Tourism Campaign. Tour de Yorkshire race.	Market Town Campaign. Cultural Tourism - Yorkshire Festival. Tour de Yorkshire Cuisine tour. Food & Drink Promotion - NY food festivals, marketing campaigns etc. Development of cycle tourism. Tour de Yorkshire race.	No	Public / private partnership. Written governance document.		Turnover in 2016/17 £4.1m. LA subs £452k.	W2Y	£84k	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	None	Future finding contributions / arrangements.	David Bowe	Michael Leah	M	L	M	L	M	M	April 2017. Limited company. Accounts up to date. Robust governance. No concerns noted. Review governance arrangements in 2017/18 because of greater importance in reputation.

Partnership	Lead Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last review and action taken as a result	Key achievements 2016/17	Issues and priorities 2017/18	Have there been any governance failures in 2016/17?  Yes / No If yes, outline	Membership and governance arrangements of partnership	Link to governance document / terms of reference if published on internet	Annual partnership expenditure and main sources of income	Accountable body	NYCC budget contribution (in addition to officer time)	Which NYCC elected member body does the partnership report to and how often?	NYCC elected member(s) directly involved in partnership and role they play	Any issues (eg decision making, accountability, transparency, key policy areas)?  Yes / No If yes, outline	NYCC lead officer	NYCC finance officer	Risk factors (H / M / L)					Overall partnership risk rating  High / Medium / Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result
																		1 Probability of governance failure	2 NYCC objectives	3 NYCC financial	4 NYCC services	5 NYCC reputation		
North Yorkshire Cleveland Coastal Forum	BES	3	To promote Heritage Coast for economy, tourism, natural beauty and enjoyment. 5 year Heritage Coastal Strategy.	Annual Exec meeting on 25/3/2014. Five year coastal forum strategy reviewed. Officer Project meeting 01/2016.	Circulation of information relating to coastal matters between partners. Support of HLF Landscape Partnership Bid covering Saltburn to Sandsend.	Restructure of Coastal Forum by SBC with new priorities for coastal conservation and developments to be decided. Continued support for HLF Landscape Partnership bid Saltburn to Sandsend.	No	Member representation from NYCC, North York Moors NPA, Redcar & Cleveland BC, Scarborough BC. Written terms of reference agreed in 2005 and not updated since.		£37,000	North York Moors NPA	£500	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	Cllr David Chance, Cllr David Jeffels and Cllr Joe Plant - members.	No	Liz Small	Michael Leah	L	L	L	L	L	L	n/a
North Yorkshire Flood Risk Partnership	BES	2	To coordinate and lead sub-regional activity aimed at reducing and managing flood risk.	April 2013	Support to the delivery of the RFCC capital programme. Strategic planning for Flood Risk.	Support to the delivery of the RFCC capital programme. Strategic planning for Flood Risk.	No	Member body with reps from Yorkshire Regional Flood & Coastal Committee, NYCC, City of York Council, Yorkshire Water, Environment Agency, and Internal Drainage Board core members. Written terms of reference - no formal decision making functions.		No budget	n/a	Officer time only	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	Cllr D Jeffels - member	No	Emily Mellalieu	Michael Leah	L	M	L	L	M	L	n/a
Rail North Ltd (RNL)	BES	2, 3	Strategic leadership for the development of Rail Strategy and priorities for Rail in the North of England. Development and management of Transpennine and Northern franchises.	Members Agreement approved for signature January 2016.	Formal Governance arrangements established and working well; successfully introduced the new franchises from April 2016; working to establish a priority investment portfolio for Control Period 6 and to influence the Initial Industry Advice to the Secretary of State.	Manage delivery of ambitious Northern and Transpennine rail franchises; gain competence and confidence of Government and stakeholders; set out proposals for 'local' (north of England) railway investment. Prepare for smooth introduction of franchise improvements from Dec 2017 and transformational change from December 2019. Intention to merge Rail North and Transport for the North (TfN) when TfN achieves sub-national transport body status.	Yes - RNL board not been quorate: mitigation each director will also have a formal deputy registered at companies house. NY deputy is Cllr Don Mackenzie.	An Association comprising Leaders from all 29 North of England LTAs representing the 5 northern City Region Combined Authorities, Unitary and two tier Authorities. The Association is supported by a Board of Directors (Rail North Ltd) of 11 'sector' representative Leaders (or nominated member reps).		Agreed annually by the Association. RNL board approved a 2017/18 budget of £647k which includes a recommendation to increase member contributions to £74k.	Accountability ultimately rests with DfT, although ambition for the Association is for the devolution of the Rail franchising powers and budget to Rail North Ltd.	£2,362 for 2017/18	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	Cllr Chris Metcalfe - member on the Association and Director on the board of Rail North Ltd. Cllr Don Mackenzie is substitute / deputy.	No	David Bowe / John Laking	Michael Leah	L	L	L	L	L	L	n/a
Transport for the North (TfN)	BES	1, 2, 3	Strategic Leadership for long term planning, development and implementation of Northern Transport Prospectus.	Formal governance arrangements still being finalised; statutory body provision is progressing through parliament and expected to be achieved in 2017/18.	Further development of the Northern Transport Strategy and the publication in March 2016 of the Spring Report.	Formalise Governance; continue to develop Road, Rail, Freight, Ports and Smart Ticketing strategies.	No	West Yorkshire, Liverpool, Sheffield, Tees Valley, North East combined authorities, NYCC, Hull, Transport for Greater Manchester, Lancashire CC, Cumbria CC, Cheshire and Warrington, Network Rail, Highways England, Department for Transport.		£10m annually agreed and provided by HMT.	At present a Partnership Board, but following statutory body status will be the Statutory Body.	None	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	Cllr Carl Les and / or Cllr Chris Metcalfe.	No	David Bowe / Andrew Bainbridge	Michael Leah	L	M	L	L	L	L	n/a
York, North Yorkshire and East Riding LEP Area European Structural and Investment Funds Committee	BES	1, 2, 3	The local ESIF Committee is responsible for the strategic oversight of local investments of both the Structural (ERDF and ESF) and EAFRD Growth Programme Funds and their operational delivery in line with the Operational Programme and the strategic alignment to the LEPs Strategic Economic Plan and ESIF Implementation Plan.	March 2015	Outlined above under York, North Yorkshire & East Riding Local Enterprise Partnership. Total Programme £84.56m - Contracted £32.5m, Calls In Process £33.45m, Unallocated £18.76m.	Outlined above under York, North Yorkshire & East Riding Local Enterprise Partnership. Post Brexit the priority is ensuring that the full allocation is contracted by the time the article 50 expires (29 March 2019). The priority is also ensuring delivery of contracted projects remain on track to deliver greatest impact in the region.	No	Membership is representative of various sectors including: LEP, LAs, HE/FE, Key Sectors, Vol/Com, LEADER/Local Groups, Equalities & Diversity, Managing Authorities.		No budget for partnership management	DCLG	Officer time only	No routine report to NYCC elected member body, although any issues requiring decisions or reports will be fed in through normal processes.	Cllr Chris Metcalfe	No	James Farrar	Michael Leah	L	L	L	L	L	L	n/a

Partnership	Lead Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last review and action taken as a result	Key achievements 2016/17	Issues and priorities 2017/18	Have there been any governance failures in 2016/17? Yes / No If yes, outline	Membership and governance arrangements of partnership	Link to governance document / terms of reference if published on internet	Annual partnership expenditure and main sources of income	Accountable body	NYCC budget contribution (in addition to officer time)	Which NYCC elected member body does the partnership report to and how often?	NYCC elected member(s) directly involved in partnership and role they play	Any issues (eg decision making, accountability, transparency, key policy areas)? Yes / No If yes, outline	NYCC lead officer	NYCC finance officer	Risk factors (H / M / L) 1 Probability of governance failure 2 NYCC objectives 3 NYCC financial 4 NYCC services 5 NYCC reputation	Overall partnership risk rating High / Medium / Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result
North Yorkshire Local Transport Body	BES	2, 3	To prioritise and oversee delivery of a programme of major transport schemes and to advise the Local Enterprise Partnership on transport priorities.	Assurance framework signed off by DIT.	LTB effectively on hold pending potential new devolution arrangements.	LTB effectively on hold pending potential new devolution arrangements.	No	Member body which has 2 NYCC, 2 District Council & 1 LEP voting representatives. Assurance framework signed off by DIT.		£9.6m capital allocation between 2015/16 & 2018/19.	NYCC	Officer time only (capital allocation is direct grant from Department of Transport).	No routine report to NYCC elected member body, any issues arising feeding in to County Council processes in the usual way.	Cllr Don Mackenzie and Cllr Chris Metcalfe - members.	No	David Bowe / Andrew Bainbridge	Michael Leah	L M H L M	M	April 2017. Audit in May 2014 concluded high assurance. No concerns noted. Further review/consideration will be given after devolution decisions and direction of the partnership is known.
<b>CYPS</b>																				
North Yorkshire Children's Trust Board	CYPS	1, 2, 3	The North Yorkshire Children's Trust has been set up under the requirements of the Children Act 2004 and represents all the agencies working with children and young people across the county. The Children's Trust provides strategic and operational direction to improve outcomes for all children, young people and families within North Yorkshire.	Self assessment exercise and amended operating model in 2016.	Improving or stable performance in the majority of indicators in Young and Yorkshire and alignment with other partnership strategies. Reducing Health Inequalities summit April 2016. Consultation draft for Young and Yorkshire 2 launched in March 2017. Young in North Yorkshire project funded by Economic & Social Research Council working with new partner organisations to put research into practice.	Complete development of Young & Yorkshire 2, gain approval from partners, launch and implement to ensure partnership delivery and improvement against identified outcomes and priorities. Strengthen functioning of Children's Strategy and Safeguarding Groups as local delivery agents of Young & Yorkshire 2. Undertake review of Board to ensure it is well placed to deliver against the wider place-shaping ambition of Young & Yorkshire 2.	No	Senior reps (mostly officers) of key local partners. Written governance document. Sub-groups changed to 'task and finish groups' operating under Children's Trust Governance. Children's Safeguarding and Strategy Groups incorporated into Children's Trust Board arrangements.	<a href="http://cyps.northyorks.gov.uk/index.asp?articleid=16826">cyps.northyorks.gov.uk/index.asp?articleid=16826</a>	Circa £3k (excluding officer time) funded by NYCC. Influences all CYPS and partner spend on children's services.	NYCC	Board has leadership and coordinating role for children and young people spending by partners, over £600m a year.	Executive as required. County Council sign off required for Children and Young People's Plan. Progress reports to Young People Overview and Scrutiny Committee bi-annually.	Lead Member (Children's Services) Cllr Janet Sanderson - member.	No	Pete Dwyer	Anton Hodge	L M H H M	M	April 2017. Clear partnership agreement remains in place. No reported concerns. No concerns noted.
Local Children's Safeguarding Board	CYPS	1, 2	Section 14 of the Children Act 2004 sets out the objectives of LSCBs - to coordinate what is done by each person or body represented on the Board for the purposes of safeguarding and promoting the welfare of children in the area; and to ensure the effectiveness of what is done by each such person or body for those purposes.	Ofsted inspection May 2014. The NYSCB action has been actioned. The NYSCB Business Plan is in place.	Implementation of new LSCB structure and working practices. Continual development of practice guidance and one minute guides. Revision of vulnerability checklist threshold document. Survey of safeguarding workforce. Commissioning of new /revised learning packages. MAST briefings. Significant audit activity - practitioner, case file, schools and section 11 audits.	Continued delivery through new streamlined planning structure and new business plan for 2016-2020. Specific key strategic priorities: Coordinate the work of agencies across multiple sectors for the purposes of safeguarding and promoting the welfare of children in the area. Ensure the effectiveness of the work across agencies in multiple sectors for safeguarding and promoting the welfare of children.	No	Lead Member Children's Services, Senior Managers from CYPS and Partners. All the health trusts are now full members. 'Working Together 2015' gives a statutory membership.	<a href="http://www.safeguardingchildren.co.uk">www.safeguardingchildren.co.uk</a>	£290k. Contributions from key partners - NYCC, Health, Police, Probation, CAF/CAS, CDOP funding.	NYCC	£116k	Reports to Executive and Young People Overview and Scrutiny Committee.	Lead Member (Children's Services) Cllr Janet Sanderson - member.	No	Heather Pearson	Qingzi Bu	L M H H H	M	April 2017. Robust governance documents. Constitution up to date (September 2016) and clear governance set out therein. No strong concerns.
North Yorkshire Education Partnership	CYPS	1, 2, 3	The schools forum was established to provide schools with greater involvement in the distribution of funding within their local authority and to act as a consultative and advisory body in relation to school funding. Since the Forum became the Education Partnership it also holds the four Improvement Partnerships to account for performance and impact of allocation of funds.	Reviewed on an ongoing basis upon receipt of relevant DfE guidance. Date of last review - March 2013.	Partnership set up with new membership and terms of reference. Three meetings held, introducing new format of discussions including school organisation and school improvement, as well as traditional finance role. Also held a workshop to look at relationship with Health service colleagues ("Future In Mind"). Four Improvement Partnerships now report to the NYEP.	Offer advice and guidance on national funding formula consultation. Support the priorities of the Improvement Partnerships to improve performance of all schools and to build capacity. Focus on the White Paper and the move to school-led improvement.	No	Comprises reps of headteachers & governors from secondary, primary & nursery schools (including academies and PRS), staff associations (UNISON & teacher unions), early years & childcare providers, Church of England & Roman Catholic dioceses, chairs of the Improvement Partnerships. Written constitution.	<a href="http://cyps.northyorks.gov.uk/index.asp?articleid=17693">cyps.northyorks.gov.uk/index.asp?articleid=17693</a>	£100k	NYCC	£100k (DSG)	Reports to Executive Members and Young People Overview and Scrutiny Committee.	Lead Member (Children's Services) Cllr Janet Sanderson - member (non-voting); Cllr Arthur Barker (Schools) - member (non-voting).	No	Marion Sadler (Clerk)	Anton Hodge	L H M M L	M	April 2017. No concerns noted. Effective constitution and clear guidance over its remit. Regular meetings being held and outcomes reported.
North Yorkshire Youth Justice Service (Management Board)	CYPS	1,2,3	To provide strategic direction and resourcing to enable the Youth Justice Service to meet its principal aim of preventing offending by children & young people. Section 38 of the Crime & Disorder Act 1998 places a duty on the Local Authority, acting in cooperation with other statutory partners, to ensure the availability of youth justice services for their area.	Currently out to consultation for a service review as part of the 2020 programme. The proposal is for greater integration within the Prevention Service.	Strong progress against the majority of performance indicators contained within the annual Youth Justice Plan including a reduction in the number of first time entrants into the criminal justice system, excellent rates of victim participation and satisfaction and greater use of restorative practice.	Uncertainty regarding ongoing funding, therefore limited opportunity for long term planning. Uncertainty as to whether the recommendations contained with the national review of the Youth Justice System will be implemented. Proposed integration within the Prevention Service. Focus on reducing first time entrants into the criminal justice system and reducing the frequency of re-offending.	No	Lead Member Children's Services, Senior Managers from CYPS and Partners.	<a href="http://www.ny-yjs.org.uk">www.ny-yjs.org.uk</a>	£2.4 million (including value of seconded staff). Expenditure is funded by statutory funding partners (NYCC, Police, Probation & Health) together with grant funding from the Youth Justice Board.	NYCC	£1.1 million.	Periodic reports to Executive Members and Young People Overview & Scrutiny Committees. Annually to Full Council.	Lead Member, Children's Services (Janet Sanderson) is a Management Board Member.	No	Pete Dwyer (Chair of the Management Board).	Stuart Masterman	L M M H M	M	April 2017. Will be reviewed in 2017/18 after service review has been completed and future funding decisions have been taken and reported.

Partnership	Lead Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last review and action taken as a result	Key achievements 2016/17	Issues and priorities 2017/18	Have there been any governance failures in 2016/17? Yes / No If yes, outline	Membership and governance arrangements of partnership	Link to governance document / terms of reference if published on internet	Annual partnership expenditure and main sources of income	Accountable body	NYCC budget contribution (in addition to officer time)	Which NYCC elected member body does the partnership report to and how often?	NYCC elected member(s) directly involved in partnership and role they play	Any issues (eg decision making, accountability, transparency, key policy areas)? Yes / No If yes, outline	NYCC lead officer	NYCC finance officer	Risk factors (H / M / L) 1 Probability of governance failure 2 NYCC objectives 3 NYCC financial 4 NYCC services 5 NYCC reputation	Overall partnership risk rating High / Medium / Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result				
Scarborough, Whitby, Filey Opportunity Area	CYPS	2,3	To oversee, direct and advise investment in the North Yorkshire Coast to improve social mobility. Funding of £6M over 3 years will be provided by the Dept for Education.	Governance structure being established.	N/A - partnership still at formative stage.	Establish governance structure. Identify areas for investment and further work.	No	Chair will be Sir Martin Narey. NYCC will be represented on the Board (at AD level), other members are to be decided.		c.£2M to be provided by DfE.	TBC	This work is aligned with the existing NYCC commitment to the Scarborough Pledge (c.£0.75m).	TBC	None	No	Richard Benstead	TBC	L	L	L	L	L	n/a	
<b>HAS</b>																								
Transforming Care	HAS	1	To prevent admissions into LD specific in-patient beds. Facilitate timely discharge and community resettlement for people with complex LD and/or autism with behaviours that challenge including those with a mental health condition.	N/A	Building the Right Support Community Model identified. Clear information relating to people impacted in North Yorkshire and York. Key workstream areas identified to progress.	Continuing to develop the work streams of: workforce, working with providers, community models and pathways for young people in transitions. Discharge of people who have been in inpatient beds for 5 years plus and ensuring effective preventative plans in place to avoid unnecessary admissions. Ensuring that timely and appropriate care and treatment planning is in place.	No	Partnership Commissioning Unit on behalf of four CCGs, Tees Esk Wear Valley, NYCC, City of York Council, NHS England specialist commissioners. Agreed Terms of Reference.		£200,000 support from NHS England to develop preventative services allocated by PCU to providers.	PCU on behalf of CCGs	There will be a financial implications regarding individuals care packages.	Elected members on Health and Well Being Board.	None	Impending dissolution of PCU.	Kathy Clark / Helen Thirkell	n/a	M	M	M	M	M	May 2017. Transformation plan published Oct 2016 including governance review allowing for transparency and monitoring of progress. No governance concerns. PCU to be dissolved, so further review in 2017/18.	
Care Alliance Workforce Development	HAS	2	Support and Develop a skilled Adult Social Care workforce in all sectors in North Yorkshire and City of York	N/A	Funding secured to run a mentoring scheme across the wider sector. Two key events held across the county for Registered Managers in all sectors looking at the key areas of recruitment, retention, qualifications, apprenticeships, leadership, management. Secured £100k workforce development monies for distribution to the wider sector for qualifications.	Reviewing Business Plan for 2017/18 to 2019/20. Planning on more events across the County on key topics including leadership and management. Look at Care Ambassador scheme and relaunch. Applied for £130,000 workface development monies.	No	NYCC, City of York Council, Skills for Care, ICG, private, voluntary and independent sector providers, Health Education England, Jobcentre Plus. Agreed terms of reference.	<a href="http://www.cawd.org.uk">www.cawd.org.uk</a>	No regular income. Fundraising undertaken.	Shared arrangement - rotating Chair	None	No routine report to NYCC elected member body, any issues feed in to County Council processes in the usual way.	None	Objectives of the partnership are reliant on external fundraising or goodwill of partner organisations.	Julia Spencer	n/a	L	L	L	L	L	n/a	
Health Protection Assurance Group	HAS	2	Oversees the health protection plans and arrangements and provides assurance to NYCC and the Health and Well being Board. The Group is North Yorkshire vehicle to oversees a statutory function, statue does not require a group.	January 2017. City of York Council will be joining the group.	Significant mapping exercise for screening and immunisation programmes. An assurance framework is in place and evidence base in order to qualify levels of assurance.	Key risk as a number of Chief EHOs are retiring and restructures in District and Borough Councils. Issue regarding training of nurses carrying out cervical screening and key risk of 25% of nurses retiring. Challenge of operationalising outbreak plans across the region.	No	Director of Public Health NYCC (Chair), Director of Public Health City of York Council, Public Health Consultants, Public Health England, Chief Environmental Health Officer rep, CCGs rep. NYCC Emergency Planning, NHS England Health Emergency Planning, Director for infection control and prevention from NHS provider trusts.		Existing partner agency resources - joint commissioning of community infection control team with HaRD as Lead Commissioner	NYCC	None	Cllr David Chance as Executive member for Public Health.	None	Capacity within each individual organisations to respond and challenge of multi-agency operationalising of outbreak plans.	Lincoln Sargeant	n/a	L	L	L	M	M	L	n/a
Involvement forums (NY Learning Disabilities Partnership Board, NY Disability Forum, NY Carers Forum, Mental health involvement forums)	HAS	2, 4	These are important partnerships, in view of the role of visible public engagement on services and stronger user voice/influence	Boards regularly review the work they undertake; board development is on-going.	Involved in a wide range of consultation, engagement and co-design activities. Volunteer led local projects on disability access eg Selby street mapping project. Learning Disability Self Advocates development of housing options booklet and in the development of the learning disability strategy - Live Well, Live Longer.	Continue to actively contribute to NYCC and other partners service developments, strategies and consultations. Improve involvement methods to include more people. Support move towards user-led groups, particularly Disability Forums. Review MH involvement. Complete review of Carers Forum.	No	Self Advocates, Community members, service users and carers, NYCC officers, other statutory agency reps. Written governance documents.	<a href="http://www.nypartnerships.org.uk/index.aspx?articleid=16858">www.nypartnerships.org.uk/index.aspx?articleid=16858</a>	Approx £170,000 from HAS budget.	NYCC	£170,000	Cllr Clare Wood as HAS Executive Member.	No		Mike Webster	n/a	L	L	M	L	M	L	n/a

Partnership	Lead Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last review and action taken as a result	Key achievements 2016/17	Issues and priorities 2017/18	Have there been any governance failures in 2016/17? Yes / No If yes, outline	Membership and governance arrangements of partnership	Link to governance document / terms of reference if published on internet	Annual partnership expenditure and main sources of income	Accountable body	NYCC budget contribution (in addition to officer time)	Which NYCC elected member does the partnership report to and how often?	NYCC elected member(s) directly involved in partnership and role they play	Any issues (eg decision making, accountability, transparency, key policy areas)? Yes / No If yes, outline	NYCC lead officer	NYCC finance officer	Risk factors (H / M / L)					Overall partnership risk rating High / Medium / Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result
																		1 Probability of governance failure	2 NYCC objectives	3 NYCC financial	4 NYCC services	5 NYCC reputation		
Supporting People Partnership	HAS	3	Overseeing the commissioning of housing support services for vulnerable groups.	2010. Outcome was to continue with the current commissioning arrangements.	Review and re-commissioning of Young Peoples Pathway and Transfer to CYPS. Homeless prevention services and offender services.	Work with partners on Commissioning Body to minimise service reductions as a result of requirements of HAS2020 savings programme.	No	NYCC, District and Borough Councils, Probation Providers Representatives.		c £6m- NYCC.	NYCC	c £6m	Reports to Cllr Claire Wood as Executive Member	None	No	Avril Hunter	Anton Hodge	L	L	H	M	M	M	May 2017. No reported concerns. Agreements in place for commissioning of services. Will further review in 2017/18.
North Yorkshire Drug and Alcohol Partnership Group	HAS	2	Be an advisory and reference group on substance misuse. Inform the development of the alcohol strategy. Inform the development of drugs strategy. Gather intelligence to inform strategy development and implementation, and delivery of services. Strategically address transition from young people to adult substance misuse services.	Review carried out Dec 2016. Review of membership. Terms of Reference.	Monitoring the implementation of the alcohol strategy. Received very positive evaluation for New Horizons. Successful CQC inspection of Spectrum. DISC (provider of New Horizons) overall positive CQC inspection. Implemented Family Drug and Alcohol Court.	Reviewing provider list for Needle Exchange (GP's) and Identification and Brief Advice, GP's and pharmacists. Reviewed process of monitoring of drug related deaths.	No	Chair: NY Director of Public Health NYCC Members, Police, Prisons, DISC, New Horizons, Partnership, Compass Reach commissioning Unit, Community Pharmacy, Yorkshire Ambulance Service, District councils, National Probation Service, Office of Police and Crime Commissioner, Sub group of Health and Well Being Board.	<a href="http://www.nypartnerships.org.uk/smpb">www.nypartnerships.org.uk/smpb</a>	No funding of its own. Provides strategic direction for drug and alcohol commissioning priorities.	NYCC	c£5m Public Health	Reporting is via delegated authority from the Health and Well Being Board.	None	No	Lincoln Sergeant	Anton Hodge	L	M	H	M	M	M	April 2017. Terms of reference agreed and in place for the Board. The terms are concise, but adequate for a Board which has no independent funding.
Safeguarding Adults Board	HAS	1	To provide strategic leadership for Adult Safeguarding arrangements and to challenge and quality assure partner agencies safeguarding practice.	SAB and sub group governance and structure reviewed and agreed in September 2016.	Held first Adults, Children's and Community Safety Partnership Safeguarding Week across both North Yorkshire and York. Improved performance data. Review of outcomes in Strategic Plan. Strengthened contribution of GPs in safeguarding adults through identification and nomination of lead GPs.	Development of Learning and Improvement Framework and practical tools to implement culture of continuous learning across the partnership. Increase involvement of local groups in delivering Board outcomes at a local level. Increased awareness of the wider community through Safeguarding Week on cross Board and North Yorkshire and York footprint.	No	Strategic Board NYCC, Police, CCGs (Statutory Partners of the Board), District Councils, ICG, Health Trusts, Healthwatch and , NHS England, Director of Public Health, Four Sub Groups involving statutory partners plus District Councils, Probation, ICG, NYFF, Fire and Rescue, Health Trusts NHS England, LCSB. Agreed governance arrangements as part of 2016 review.	<a href="http://www.nypartnerships.org.uk/index.aspx?articleid=17008">www.nypartnerships.org.uk/index.aspx?articleid=17008</a>	Three statutory partners - NYCC, Health and Police contribute £20k each towards the cost of running the SAB.	NYCC	£20,000.00	Annual Reports to Care and Independence OSC and Health and Well being Board	Cllr Clare Wood - in attendance.	Organisational priorities and financial constraints impact on partners abilities to support / implement the SAB strategic outcomes / work programme.	Mike Webster	Anton Hodge	L	H	L	H	H	M	April 2017. Appropriate governance arrangements in place. Structure was revised in July 2015. Clear structure is in place with adequate input and protection for NYCC. No concerns.
Health and Well Being Board, Delivery Board, and Commissioners Forum.	HAS	2, 3	To oversee the development and implementation of the priorities agreed and set out within the Health and Well being Strategy. To improve the health and care outcomes for the people and communities of North Yorkshire.	Governance review completed and agreed Nov 2014. The North Yorkshire Delivery Board and the Commissioner forum continue to assist the delivery of HWB priorities.	Further Integration of health and social care. Continued implementation of Joint HWB Strategy. Performance dashboard for the JHWB, including the Better Care Fund established. Mental Health Strategy implementation plan. LD Strategy. Carers and Dementia Green Papers approved. Agreed the Better Care Fund. Healthy Weight, Active Lives Annual Report.	Submission of BCF plan 2017/19. Oversight of STP plans. Development of joint commissioning arrangements. Integrated delivery at locality levels. Oversight of implementation plans for Learning Disabilities, Carers, Dementia. Implementation of Healthy Weight, Active Lives strategy. Integration between health, care and blue light services. Revised pharmaceutical needs assessment. Overseeing implementation of Joint Health and Wellbeing Strategy.	No	NYCC, Clinical Commissioning Groups, representative from district councils, NHS providers, Voluntary and Community Sector. NHS England. NY Healthwatch.	<a href="http://www.nypartnerships.org.uk/index.aspx?articleid=16861">www.nypartnerships.org.uk/index.aspx?articleid=16861</a>	No funding of its own but it has oversight of the BCF Pooled Budget and strategic direction for investment against HWB priorities.	Accountability rests with individual organisations for delivery of HWB plans.	Officer time only	Health and Well Being Board Elected Members. The Board meets 6 times per year, with a balance of Public Meetings development Sessions.	Cllr Clare Wood - Chairman, Cllr Janet Sanderson and Cllr David Chance - members.	The complexity of accountability resting with individual member organisations and the fact that there can be competing interests.	Louise Wallace	Anton Hodge	L	M	H	M	H	M	May 2017. Clear governance arrangements in place. Regular board meetings held and statutory functions are being properly fulfilled. Joint strategy updated and published. No concerns.

## NORTH YORKSHIRE COUNTY COUNCIL

## AUDIT COMMITTEE

JUNE 2017

## BUSINESS CONTINUITY – UPDATE REPORT

**1 Purpose of Report**

- 1.1** To provide an overview of the current Business Continuity (BC) arrangements for North Yorkshire County Council and to provide continued high assurance for the management of risk within directorates and service areas.

**2 Background**

**2.1** A comprehensive review of NYCC Business Continuity (BC) took place during 2014. Following the review, an updated methodology was introduced in order to prioritise the business continuity needs of each individual service area. This review considered the recommendations of the internal audit of October 2013 and ensured a consistent and corporate approach to BC planning across the organisation during any disruption to our provision of critical services.

The NYCC Resilience and Emergencies Team (R&ET) responded to the internal audit recommendations and service area manager feedback, to focus on reducing bureaucracy by working together with service managers to migrate existing business continuity plans into a consistent corporate document format consisting of:

Business Impact Analysis (BIA) - The Business Impact Analysis looks at **critical business functions** and quantifies the impact a loss of those functions may have.

An Incident Management Plan (IMP) - The Incident Management Plan helps a service area to plan a process to respond to and **work around** a range of possible impacts on their critical services.

**2.3** These documents are now held centrally on the NYCC BC share-point site for ease of access allowing both practitioners and senior management to make informed business continuity decisions during any disruption of identified critical services.



### **3 Corporate Business Continuity Policy and Strategy**

**3.1** Business Continuity (BC) and any disruption to provision of NYCC services are now corporately addressed through a consistent assessment considering loss of staff, equipment and technology, buildings and key suppliers. These considerations are addressed through pre-planning and mitigation measures identified in service area BC plans.

**3.2** Each directorate has continued to work with the R&ET to utilise planning training and exercising focused to ensure staff know what to do and when to do it during any disruptive incident.

**3.3** To ensure conformity, specific officers have been designated to review service area BC arrangements and a reporting regime put in place. Every directorate now has a designated BC champion to oversee their business continuity and to represent their directorate at the Corporate Risk Management Group (CRMG) in support of managers producing BC plans for any directorate **critical services**.

**3.4** The Corporate Director (Strategic Resources) continues to have overall responsibility for BC within NYCC, with the BC function co-ordinated and supported by the R&ET. The Leader of the Council, Cllr. Carl Les, continues to hold the executive portfolio for resilience, emergency planning and business continuity.

**3.5** Directorates are required to provide a BC RAG (Red, Amber, Green) status update to the CRMG every quarter. This process allows directorate BC champions to inform their directors on the current status of their directorate BC plans who can, in turn, confirm their satisfaction in their annual statements of assurance.

### **4 Corporate Business Continuity Plan**

**4.1** A Corporate NYCC Business Continuity Plan is now in place, ratified by NYCC Management Board and introduced to ensure a consistent and coordinated response across the organisation during any major or significant disruption. This plan has recently been used to good effect during the fracking protests, the cyber-attacks and flooding incidents impacting on NYCC. The provision of a structured framework for communication and management of information across all directorates during any disruption allows informed strategic management decisions to be made across the organisation to identify priorities in the restoration of critical services.

**4.2** The Corporate BC Plan has evolved and organisational learning has been taken from recent incidents impacting on NYCC including utility failures, the Selby recycling fires in 2014 and 2015, the Winter storms and flooding in 2015/16 and lessons learnt from the Tour de France and very successful Tour de Yorkshire races.

**4.3** Some service areas such as Technology and Change and the Customer Service Centre have very specific recovery requirements during any critical service disruption. As such they have additional plans to ensure they can support response to wider disruption across NYCC. These service areas however, still provide corporate Incident Management Plans to allow informed strategic and corporate BC decision making during service disruption.

**4.4** Designated officers within the R&ET continue to provide on-going support for directorate BC champions and their staff within each directorate. The R&ET officers work with the directorates to ensure that service areas have the knowledge and support to meet their BC responsibilities and that an annual work-plan including exercises is completed within an agreed time-scale.

**4.5** It is acknowledged that BC planning is an on-going process and that the R&ET and directorates will continue to work together within the identified structures to ensure robust, well-planned and exercised BC arrangements are in place to provide the required assurance across the organisation.

**4.6** This continued development and the progress made was acknowledged by the Veritau audit team in January 2017 which stated that the current arrangements for business continuity within NYCC are deemed to provide **Substantial Assurance**.

## **5 Recommendations**

**5.1** Audit Committee to note the current business continuity, planning and resilience arrangements within North Yorkshire County Council and the Management Board endorsement of the NYCC Corporate Business Continuity Plan.

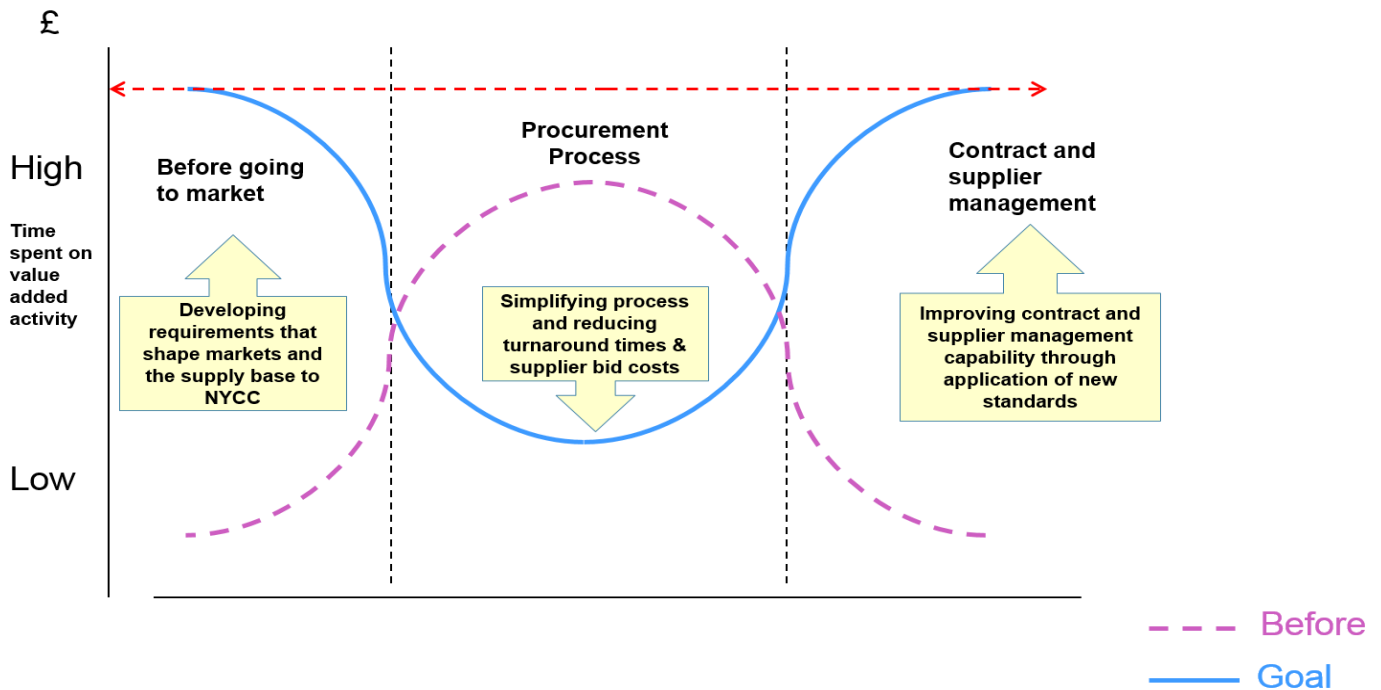
Author: Tom Knox, Resilience & Emergencies Manager

**NORTH YORKSHIRE COUNTY COUNCIL****AUDIT COMMITTEE****23 JUNE 2017****CORPORATE PROCUREMENT STRATEGY UPDATE****Report from Corporate Director, Strategic Resources****PURPOSE OF THE REPORT**

- 1.1 To provide Members with an update on progress of delivery of the Corporate Procurement Strategy, including the Strategy Action Plan.
- 1.2 To inform Members of recent activity and next steps.

**2.0 BACKGROUND**

- 2.1 The Council spends over £300m externally each year across both revenue and capital and it is the Council's responsibility to use this money in the best way possible to achieve its objectives, especially during these years of austerity.
- 2.2 The Council has a good grasp on where money will be spent in the upcoming months/years through the Forward Procurement Plans (FPPs). FPPs allow Directorates (and their corresponding Senior Category Manager) to have an oversight of approaching procurements. As a result, resources and specialist support can be deployed where required to deliver good procurement.
- 2.3 Alongside this, the procurement manual, the gateway process and the procurement documentation that supports these processes have been further developed. This ensures that due process is undertaken and provides the opportunity to highlight any procurements which are considered to be "at risk" or falling below standards.
- 2.4 A good deal of the above is focused around the operational aspects of the procurement process itself i.e. supplier sourcing, supplier evaluation and awarding the contract. This is still essential in that it ensures the Council complies with its own Contract Procedure Rules and the wider EU procurement directives.
- 2.5 A large amount of effort is also needed before going to market in the pre-procurement 'Discovery' stage, as well as the post procurement contract and supplier management stage. The illustration below highlights how procurement needs to move to a position where it concentrates much more of its attention on market and supplier management, both before the start of a procurement process and then ensuring the contract itself is properly managed.



2.6 Before a procurement starts, time taken to plan, research and analyse will add significant value to identifying solutions that will better meet the Council’s needs. In addition, focusing on relationship development means that less time is spent resolving issues and more time applied to assessing quality in delivery and identifying opportunities for cost savings / benefit gains.

2.7 In December 2014, Management Board signed off the new Corporate Procurement Strategy, which set targets and objectives up to 2020. Over the past 12 months much work has been completed on delivering against the Corporate Procurement Strategy. It seeks to build upon expertise and good practice that are available within the Council, regionally and nationally from across sectors. In essence the revised strategy is more ambitious and outward looking and unapologetically strays into commissioning discussions as opposed to more traditional “procurement”. The intention is to deliver greater value by increased involvement in the pre-procurement ‘Discovery’ stage, as well as the post procurement contract and supplier management stage.

### 3.0 CORPORATE PROCUREMENT STRATEGY

3.1 The Corporate Procurement Strategy takes into account the need to consider procurement much more widely than the sourcing, evaluation and award processes and is summed up succinctly in the vision statement which is:

*“To become outcome focused ensuring that all Commissioning, Procurement and Contract Management actively delivers Value for Money and efficiencies for the Council”*

The delivery and success of the strategy is built around three areas showing a progressively wider level of engagement, which are:

- 1) Developing, training and equipping the wider procurement function
- 2) Working within and supporting the wider Council
- 3) Engaging with the wider community

Further detail around the different elements of the strategy can be seen in **Appendix 1**.

3.2 There are a number of positive outcomes associated with these areas which will be delivered over the life of the strategy:

- The Councils staff will be better trained and will work more commercially.
- Advice and support will be quicker and add more value to the Councils procurement activities.
- The Council will select, implement and benefit from the latest technology and tools.
- Early engagement and planning will ensure that outcomes are exactly as intended and supplier performance is continuously improving.
- The best suppliers / providers are delivered for each contract.

3.3 These areas of the strategy are not designed to work in isolation but are tied together through a number of themes. Key themes include:

#### 3.4 Category Management

A strategic approach has been adopted which organises procurement resources to focus on specific areas of spend. Essentially it is the use of a Category expert, with deep commercial and market knowledge, to drive efficiency from procurement in a given spend category. The Category Management approach aims to ensure that we take a cross-council view of our major spend areas in order to maximise value for money and realise benefits in practical terms. The approach is very much related to the focus and structure of the new Procurement and Contract Management service.

In a Category Management approach, procurement staff work together with departmental staff to completely understand the need and the market to then select the best procurement route for the category. To be successful, it requires a completely fresh approach to procurement and a redefinition of the roles and responsibilities of procurement and departmental staff.

The following is a summary of the main stages in a typical category management process:

- Stage 1 Identification of Need, Definition of scope and Initiation of Procurement Process*
- Stage 2 Data Capture, Opportunity Prioritisation and Project Plan development*
- Stage 3 Detailed analysis of environment and supply market*
- Stage 4 Sourcing Strategy formation and delivery*
- Stage 5 Mobilise and implement category strategy*
- Stage 6 Monitoring and Relationship Management*

#### 3.5 Contract Management

The benefits to effective contract management are immense for both the Council and contractor. Greater emphasis is being placed on ensuring that contracts operate as they

were envisaged and procured. A balanced approach is being taken whereby more resource is being made available to manage contracts at both an operational level (managing the contract on a day-to-day basis) and at a strategic level (improving the contract – supplier relationship management). Costs will be managed and efficiencies and savings are being gained due to improved work in contract management.

The Contract Management strand of the Procurement Strategy Action Plan is now being led by a specific post relating to Contract Management. This was filled on an invest to save basis in 2014. The cost of engagement was recovered within the first 3 months of a 12 month trial period. The role has been made permanent as part of the new team structure, and to date has saved a total of £ £528,765.

### 3.6 Partnering

Together with cross directorate collaborative procurement opportunities being sought within the Council, time and effort will also be spent in building partnerships outside the Council both regionally and nationally. Collaborative opportunities are being sought with Districts, Local Authorities, Health and other parts of the public sector. The Council is looking to work with and learn from the private sector, which will allow the Council to consider and implement good practice to be adopted for greater efficiencies.

### 3.7 Market Engagement

Time spent before submissions are invited from bidders, what we term as the 'Discovery' stage, will give a valuable opportunity to identify and outline requirements more clearly, involve users, staff, potential suppliers (large and small and across sectors) early, refine the specification, business case and budget and to select the most appropriate procurement route for the council. This is where the greater value to a procurement project can be gained, so a greater focus on skills in this area is developing.

3.8 Other themes include the use of technology and tools; risk management; commercialism and income generation; processes and compliance; communication and charting successes through procurement performance.

3.9 The Strategy complements and supports the work of the 2020 North Yorkshire Programme and links to a number of the cross cutting themes, such as commercial focus; partnership working and alternative delivery models.

## 4.0 **PROCUREMENT STRATEGY PROGRESSION**

### **Strategy Action Plan**

4.1 The procurement strategy has been implemented through the activities detailed in the Strategy Action Plan, which can be seen in **Appendix 2**.

4.2 The Action Plan was developed around the themes referred to in Section 3. Each theme was broken down further into a number of actions. These actions link directly back to the strategy, particularly around the following parts:

- What we will achieve

- What we need to do to achieve the vision.

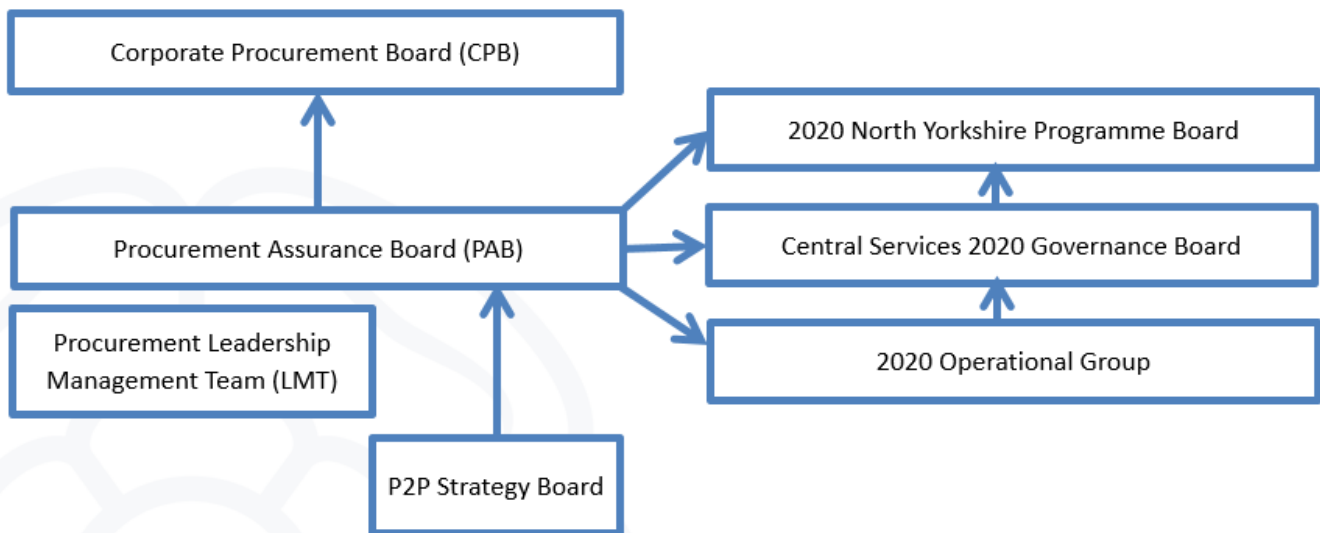
4.3 The actions are based around the principles of ‘SMART’ and have a time frame for completion. The Corporate Procurement Board is accountable for the delivery of the Action Plan and monitors progress on a quarterly basis.

4.4 As of June 2017 the vast majority of actions have now been delivered. In view of this, and the new category management structure and approach to procurement at the Council, a substantial update to the strategy will be undertaken by the Head of Procurement and Contract Management. This update is due for completion by the end of 2017.

**New Service Structure and Governance**

4.5 For assurance that the Procurement Strategy targets would be met, Management Board agreed to bring the previous North Yorkshire Procurement Service (YPO) contract back into the Council as an internally delivered service. This occurred on the 8th November 2016, and seven staff TUPE transferred into the Council. A restructure of Council procurement staff has since taken place, with the new category management based structure beginning on May 1<sup>st</sup> 2017.

4.6 The aim of these new arrangements is to put a greater focus on high performance and to assure delivery of the procurement strategy. A new governance structure has been agreed to oversee these new arrangements. Corporate Procurement Board has overall responsibility for procurement, the delivery of the corporate procurement strategy and the associated action plan. The Board is chaired by Gary Fielding, Corporate Director - Strategic Resources. The new structure is detailed in the diagram below:



**Savings**

4.7 Throughout the Strategy’s life its progression will be monitored and recorded by way of a number of wide ranging targets. These include procurement savings which were set at £12m by the end of 2017. This has been determined by reference to information obtained from FPPs.

4.8 As of June 2017 current in year savings totaled £3.7m.

4.9 The savings target is an annual target, over three years up to 2017. The cumulative effect is a target of £24m. As of June 2017 current savings achieved total £25.5m, with another £2.7m forecast up to 2020.

	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	Total £000's
<b>Savings on contracts secured to date</b>	£6,282	£6,329	£5,300	£3,722	£2,752	£1,247	<b>£25,552</b>
<b>Forecast savings on contracts to be let (in pipeline FPP)</b>	-	£0	£167	£799	£703	£1,270	<b>£2,743</b>
<b>Total Anticipated Savings</b>	£6,282	£6,329	£5,466	£4,521	£34,455	£2,517	<b>£28,571</b>
<b>Cumulative Procurement Savings (for Graph)</b>	£6,282	£12,611	£18,077	£22,598	£26,054	£28,571	

4.10 It should be noted that the savings detailed above are recorded as procurement savings but remain cash reductions within Directorate budgets to avoid double counting – under this approach procurement has therefore been used as an enabler of savings for all areas across the Council.

4.11 The substantial update to the procurement strategy that will be undertaken this year will include the new target of an additional £1.1m of savings by 2020, including a new approach to delivering the target.

4.12 Through the Corporate Procurement Strategy we are committed to improving our approach to procurement and will continue to develop this approach over the next three years. We will ensure that our approach to procurement is appropriately commercial and our processes stand up to scrutiny and challenge.

## 5.0 RECOMMENDATIONS

Audit Committee are requested to:-

a) Note progress on delivering the procurement strategy



- b) Provide comments in order to further add value to the ongoing work on procurement, especially in relation to delivering the procurement strategy.

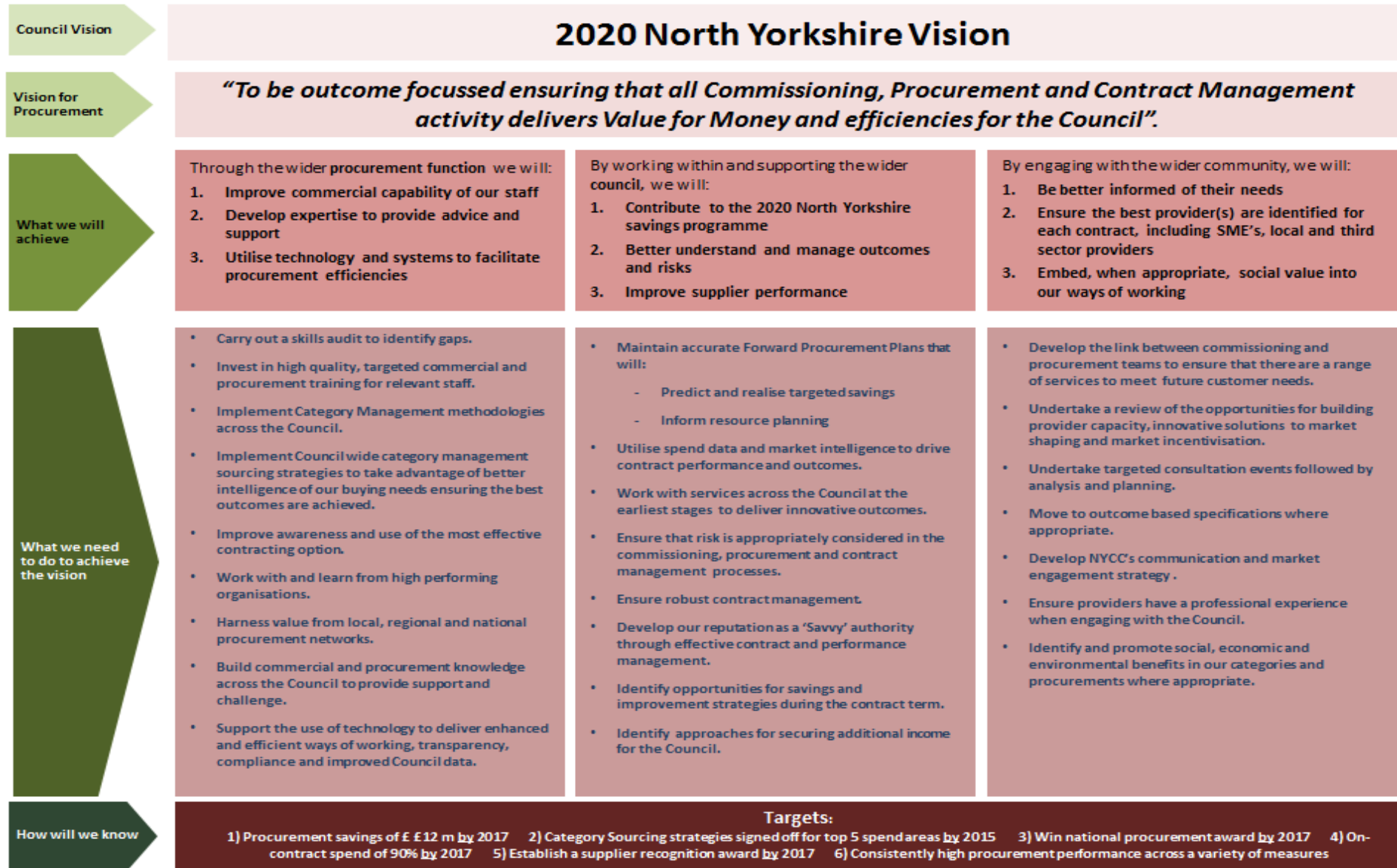
Gary Fielding  
Corporate Director, Strategic Resources

Author of Report –

Kevin Draisey  
Head of Procurement and Contract Management  
07 June 2017



# Corporate Procurement Strategy 2014 - 2020



## Appendix 2 – Strategy Action Plan



MB Appendix 2 -  
Consolidated Procu

**AUDIT COMMITTEE**

22 June 2017

**RISK MANAGEMENT – PROGRESS REPORT****Report of the Corporate Director – Strategic Resources****1.0 PURPOSE OF THE REPORT**

- 1.1 To receive details of the updated Corporate Risk Register.
- 1.2 To note progress on other Risk Management related matters

**2.0 BACKGROUND**

2.1 According to the Terms of Reference of the Audit Committee, its role in risk management is:

- (i) to assess the effectiveness of the authority's risk management arrangements and
- (ii) to review progress on the implementation of risk management throughout the authority.

2.2 Following a recommendation by this Committee, the Leader of the County Council and the Executive Member for Central Services formally approved a revised Corporate Risk Management Policy in March 2015 with a provision that it will be reviewed and updated every three years.

2.3 Regular reports to this Committee therefore cover the implementation of the Policy and associated Strategy as well as other related risk management matters in order to fulfill this role.

**3.0 CORPORATE RISK REGISTER**

3.1 The Corporate Risk Register (CRR) is fully reviewed every year and updated by the Chief Executive and Management Board in September/October. A six monthly review is then carried out in March/May.

3.2 A 6 monthly update of the Corporate Risk Register was carried out in April – see attached at **Appendix A**. This involved reviewing the risks, risk controls and risk reductions that had been identified for each of the risks and making amendments to the Register where necessary.

3.3 There are no changes to the risks considered within the register. The significant amendments that were made to the risks themselves are as follows:

- 2020 North Yorkshire Change and beyond – the 2020 Vision and Strategy has been reviewed and updated and is reflected in the 2017/21 Council Plan. It sets out our vision and values and describes a three pronged approach - to provide leadership, enable individuals, families and communities to do the best for themselves, and to ensure the delivery of our own high quality services. Other actions to be carried out in this risk support the Vision and Strategy.
- Funding Challenges – actions have been updated to represent the present position. Extra actions have been added relating to the development of detailed forward plans for associated businesses such as SmartSolutions, and the additional social care funding which has been received by the Council.
- Information Governance – this risk continues to be a challenge and further work continues to minimise data breaches such as the review of information asset registers and the secure transfer of data. On a positive matter, the Council’s systems were not impacted by the recent cyber attack. This was as a result of good work, together with up to date systems and patches.
- The Partnership and Integration with the NHS risk is a joint risk between Health and Adult Services and Children and Young People’s Service. The action relating to effective monitoring arrangements for the 0-5 years contract are in place and CCGs have refreshed ‘future in mind’ plans to reflect the needs of children and young people in N Yorkshire. An action relating to the additional social care funding has been added to this risk, together with a requirement to carry out further lobbying of the Government to establish how this dovetails with an improved Better Care Fund and additional funding.
- Safeguarding Arrangements – the information framework for serious incident data for example drug death has been developed and implemented.
- Growth – actions that have been completed include the completion of the Council Economic Growth Plan which has also been approved by the Executive of the Council. Collaborative working arrangements with District Councils are in place with further work to take place.

### 3.4 To assist Members interpret **Appendix A**

- Risks are identified by Management Board during a prep meeting and workshop
- Each risk has then to be ranked based on the following:
  - existing risk controls in place
  - probability of the risk occurring (based on existing controls)
  - impact of the risk occurring (based on existing controls)
  - further risk controls which may reduce current probability or impact
- The prioritisation system follows a fairly traditional risk evaluation approach in that the **probability** and **severity** of risks is measured using High, Medium and Low categories
- However, to facilitate the assessment of the severity of each risk this is done in relation to 4 distinct **impact areas**:-
  - failure to meet key **service objectives** and standards – reflecting current service plans
  - **financial** impact

- **service** delivery
- loss of image or **reputation**

As each risk is ranked with reference to current controls and then future controls, the risk prioritisation system can compute a “score” in the range of 1 to 5

- 1 and 2 being a ‘red’ risk
- 3 and 4 being an ‘amber’ risk and
- 5 being a ‘green’ risk

One of the key things to look for in the Register is the movement of the score (described as Classification on the summary in **Appendix A**) as between the ‘Pre’ (i.e. present stage) and ‘Post’ (i.e. after risk mitigations are in place). For certain risks, however, this does not change as the risk mitigations cannot prevent the event (e.g. severe flood) but can address/reduce its impact.

#### **4.0 ADDITIONAL RISK PRIORITISATION EXERCISES**

4.1 As well as the bi-annual update of Corporate, Directorate and Service risk registers, additional workshops are also carried out to develop risk registers for specific areas of activity in the County Council. At this time these include:

- North Yorkshire Development – this company has been set up to develop market housing on surplus sites with the primary aim of generating a revenue surplus that can be reinvested for the benefit of the Council’s local taxpayers. The risk register considers risks such as planning, procurement and contract management, knowledge of the business, cost and the profitable sale of the houses (*see also paragraph 5.3 below*).
- Basic Need - the increase in Basic Need (additional school places) has arisen as a result of a change to the planning areas adopted by the local authority in response to changed criteria used by the Department for Education to determine need. This risk register continues to assess the risks associated with the Capital Programme and includes issues such as capital funding, site and town planning constraints, procurement strategies together with volatility of pupil numbers.
- Harrogate Line Development – this register was developed to consider the risks involved in improving services on the Leeds to Harrogate to York railway line. The risks under review include liaison with Network Rail, programme timescale, expenditure and value for money.
- Tour de Yorkshire - this register was developed this year for the 3<sup>rd</sup> time, and assisted in going through the planning of the event and looked at risks such as partnership working, expectation management and engagement, communications and project management and programming.

#### **5.0 RISK MANAGEMENT AUDIT**

5.1 A “health check” Risk Management Audit has been carried out recently and an opinion of High Assurance was given. The purpose of this audit was to provide

assurance to management that procedures and controls within the system ensured that:

- Corporate risk registers are updated at regular intervals with relevant risks
- Appropriate risks are being identified when new commercial activities are entered into

5.2 The audit found the corporate arrangements for risk management to be effective. The outcome showed that corporate and directorate risk registers are being updated in line with policy requirements. Risks are appropriate and clear linkage could be drawn between the directorate and corporate risk registers which feed into each other.

5.3 The audit also reviewed the Council's arrangements for risk management when entering into a new commercial activity. During the audit, Internal Audit became aware of a new housing development company that the Council is creating. The outcome of their audit showed that risks in the detailed risk register that had been developed were found to be appropriate and included the profitable sale of houses, planning permission, procurement and contract management.

## **6.0 RECOMMENDATIONS**

That the Committee:

- (i) notes the updated Corporate Risk Register (**Appendix A**).
- (ii) notes the position on other Risk Management related matters

### **GARY FIELDING**

#### **Corporate Director – Strategic Resources**

County Hall, Northallerton

June 2017

**Author of report:** Fiona Sowerby, Corporate Risk and Insurance Manager  
Tel 01609 532400

**Background papers:** None



# Corporate Risk Register

Risk Register: **month 6 (April 2017) – detailed**

Next Review due: **November 2017**

Report Date: **25<sup>th</sup> April 2017 (pw)**

Phase 1 - Identification											
<b>Risk Number</b>	20/207	<b>Risk Title</b>	20/207 - 2020 North Yorkshire Change Programme and beyond				<b>Risk Owner</b>	Chief Exec	<b>Manager</b>	CSD SR AD T&C	
<b>Description</b>	Failure to successfully implement the Programme and Modern Council ways of working resulting in inability to meet financial savings requirements, sub-optimal decision making and poorer quality of services.					<b>Risk Group</b>	Strategic	<b>Risk Type</b>	CS 15/11		
Phase 2 - Current Assessment											
<b>Current Control Measures</b>		2020 Vision and Strategy in place; 2020 North Yorkshire Programme Plan in place and regularly reviewed/updated; Members workshops & political group sessions completed; briefings of Cabinet; regular Mgt Board/Programme Board meetings; staff communication constantly reviewed via intranet and new 'all staff' e mail Directorate and cross cutting themes programme board continue to meet and follow the governance structure; quarterly meetings with finance ADs and programme managers to align savings against programme budgets; Oracle improvements; Behaviour & skills framework reviewed; LGA corporate peer review; review carried out of governance and areas of future focus for Programme Board; all major change programmes are captured within this Programme to better manage dependencies and resources;									
<b>Probability</b>	H	<b>Objectives</b>	H	<b>Financial</b>	H	<b>Services</b>	H	<b>Reputation</b>	H	<b>Category</b>	1
Phase 3 - Risk Reduction Actions											
						<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>			
<b>Reduction</b>	15/54 - Regularly review the ICT strategy in light of changes in the organisation both before and after 2020 (ongoing)					CSD SR AD T&C	Thu-31-Aug-17				
<b>Reduction</b>	15/245 - Embed modern council principles through engagement and delivery of Service Operation Model (SOM), implementation of technology, property and OD measures, and a robust review process to measure impact and improvement.					CSD SR AD T&C	Tue-31-Oct-17				
<b>Reduction</b>	15/394 - Monitor action plan following peer review (ongoing)					AD SR (BES/CS) & Perf CSD SR AD T&C	Sat-31-Mar-18				
<b>Reduction</b>	15/406 - Continue to embed cultural change and new ways of working (transformational rather than as a savings programme)					CSD SR AD T&C	Tue-31-Mar-20				
<b>Reduction</b>	15/429 - Continually review capacity and capability within services and the impact upon the workforce of the future					CSD SR AD T&C	Thu-31-Aug-17				
<b>Reduction</b>	15/831 - Continue to monitor delay of Programmes and the effect on benefits (ongoing)					CSD SR AD T&C	Thu-31-Aug-17				
<b>Reduction</b>	15/837 - Continue to implement the Stronger Communities programme to mitigate against proposed budget cuts, support communities to take over local services, and promote community and individual resilience (ongoing)					CSD AD PP	Thu-31-Aug-17				
<b>Reduction</b>	20/250 - Implement the delivery plan for rationalisation of property in line with new ways of working including further refining of plan and securing resources for Northallerton and delivery of plan in Scarborough					AD SR (CYPS) & Prop	Thu-31-Aug-17				
<b>Reduction</b>	20/403 - Carry out monthly monitoring of communications and engagement plan including key messages and themes (ongoing)					CSD HoC	Thu-31-Aug-17				
<b>Reduction</b>	20/405 - Continue with the implementation plan for Customer Theme in line with new ways of working					Chief Exec	Thu-31-Aug-17				

## Corporate Risk Register

Risk Register: **month 6 (April 2017) – detailed**

Next Review due: **November 2017**

Report Date: **25<sup>th</sup> April 2017 (pw)**

<b>Reduction</b>	20/461 - Monitor joined up approach between 'Living Well', CYPs Prevention team and Stronger Communities team and escalate issues to Programme Board if necessary	CSD SR AD T&C	Thu-31-Aug-17								
<b>Reduction</b>	20/463 - Revisit the 2020 Vision and Strategy and produce a draft which replaces the previous version and the Council Plan	Chief Exec	Fri-31-Mar-17	Tue-28-Feb-17							
<b>Reduction</b>	20/505 - Develop new projects (eg LED street lighting, review of winter maintenance fleet, procurement re-structure and redesign, supporting people) to cover the 4% challenge and innovate new ideas to cover the shortfall in expected savings (ongoing)	CSD Mgt Team	Sat-31-Mar-18								
<b>Phase 4 - Post Risk Reduction Assessment</b>											
<b>Probability</b>	M	<b>Objectives</b>	H	<b>Financial</b>	H	<b>Services</b>	H	<b>Reputation</b>	H	<b>Category</b>	2
<b>Phase 5 - Fallback Plan</b>											
											<b>Action Manager</b>
<b>Fallback Plan</b>	20/529 - Reprioritisation of savings, further consideration of structures and ways of working										All Mgt Board



# Corporate Risk Register

Risk Register: month 6 (April 2017) – detailed

Next Review due: November 2017

Report Date: 25<sup>th</sup> April 2017 (pw)

Phase 1 - Identification											
<b>Risk Number</b>	20/1	<b>Risk Title</b>	20/1 - Funding Challenges				<b>Risk Owner</b>	Chief Exec	<b>Manager</b>	CD SR	
<b>Description</b>	Inadequate funding available to the County Council to discharge its statutory responsibilities and to meet public expectation for the remainder of the decade resulting in legal challenge, unbalanced budget and public dissatisfaction					<b>Risk Group</b>	Resources	<b>Risk Type</b>			
Phase 2 - Current Assessment											
<b>Current Control Measures</b>		Existing MTFS; Members Budget seminars; modelling carried out on implications of CSR and other funds; 2020 North Yorkshire Programme & constituent elements including service reviews; review of 2020NY in Members seminars, Cabinet, and Overview and Scrutiny Committees where Directorate based; 2020NY Programme Management Office; 2020NY Programme Governance; modelling on implications of external funding levels (eg Spending Review Settlement); next phase of savings ideas generated; meetings with traded services' managers completed;									
<b>Probability</b>	H	<b>Objectives</b>	H	<b>Financial</b>	H	<b>Services</b>	H	<b>Reputation</b>	H	<b>Category</b>	1
Phase 3 - Risk Reduction Actions											
						<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>			
<b>Reduction</b>	20/42 - Carry out annual cycle of base budget reviews of specific services					CD SR	Sat-30-Sep-17				
<b>Reduction</b>	20/46 - Ensure effective consultation/communication with staff, public and Members about ongoing savings requirements					All Mgt Board	Sat-30-Sep-17				
<b>Reduction</b>	20/261 - SmartSolutions - Carry out further workshops on how to move SmartSolutions forward; separate schools and other traded services; and carry out a further review on commercial opportunities					CD SR	Sat-31-Mar-18				
<b>Reduction</b>	20/386 - Develop and implement more detailed forward plans for each of the associated businesses: SmartSolutions, Yorwaste, Property Services etc.					CD SR	Sat-30-Sep-17				
<b>Reduction</b>	20/402 - Ensure that additional social care funding is used in a sustainable way (ie non recurrent). Further lobbying required with Govt to establish how this dovetails with improved BCF and additional funding post green paper.					CD HAS CD SR	Sat-31-Mar-18				
<b>Reduction</b>	20/491 - Identify and target additional savings through corporate procurement Strategy (ongoing)					CD SR	Sat-30-Sep-17				
Phase 4 - Post Risk Reduction Assessment											
<b>Probability</b>	M	<b>Objectives</b>	H	<b>Financial</b>	H	<b>Services</b>	M	<b>Reputation</b>	M	<b>Category</b>	2
Phase 5 - Fallback Plan											
<b>Fallback Plan</b>	20/504 - Further fundamental review in order to discharge statutory responsibilities								<b>Action Manager</b>	All Mgt Board	

# Corporate Risk Register

Risk Register: **month 6 (April 2017) – detailed**  
 Next Review due: **November 2017**  
 Report Date: **25<sup>th</sup> April 2017 (pw)**

Phase 1 - Identification											
<b>Risk Number</b>	20/194	<b>Risk Title</b>	20/194 - Major Failure due to Quality and/or Economic Issues in the Care Market				<b>Risk Owner</b>	CD HAS	<b>Manager</b>	HAS AD Q&E	
<b>Description</b>	Major failure of provider/key providers results in the Directorate being unable to meet service user needs. This could be caused by economic performance or resource capabilities including recruitment and retention. The impact could include loss of trust in the Care Market, increased budgetary implications and issues of service user safety.					<b>Risk Group</b>	Legislative	<b>Risk Type</b>	HAS Dir 3/162		
Phase 2 - Current Assessment											
<b>Current Control Measures</b>			Regular review and monitoring contracts; standard contract terms; approvals process; regular meetings to share best practice; experienced staff; regular communication with providers; bulletins; customer feedback; Engagement Group; legal services; CQC; Financial Services & insurance consultation; market analysis; capacity planning; alerts system including brokerage; Service Unit & provider BCPs; QA Framework developed; guidance and ongoing training for purchasing staff; engage with AD ASS; reg meetings with Q&M, Health Commissioner and police; robust comms with CCGs; quality monitoring embedded in Dir perf monitoring; market position statement; reviewed the actual cost of care exercise to incorporate the impact of the national living wage;								
<b>Probability</b>	H	<b>Objectives</b>	M	<b>Financial</b>	H	<b>Services</b>	M	<b>Reputation</b>	H	<b>Category</b>	I
Phase 3 - Risk Reduction Actions											
<b>Reduction</b>	20/467 - Test innovations around new models for personal care and support at home					<b>Action Manager</b>	HAS AD Com HAS AD Q&E	<b>Action by</b>	Sat-31-Mar-18	<b>Completed</b>	
<b>Reduction</b>	20/468 - Continue to revise and update a market position statement					<b>Action Manager</b>	HAS AD Com	<b>Action by</b>	Thu-31-Aug-17	<b>Completed</b>	
<b>Reduction</b>	20/469 - Jointly with Health continue to monitor baseline assessments QA framework and risk profiles of providers; targets are reviewed at quarterly officer meetings and info fed into engagement group					<b>Action Manager</b>	HAS AD Q&E	<b>Action by</b>	Wed-31-May-17	<b>Completed</b>	
<b>Reduction</b>	20/470 - Re-establish quarterly Partnership and Partner Liaison meetings (market development board), market analysis and mapping and information sharing (Locality Provider Group in Place)					<b>Action Manager</b>	HAS AD Q&E	<b>Action by</b>	Wed-31-May-17	<b>Completed</b>	
<b>Reduction</b>	20/471 - Continue with regular engagement meetings with CQC locally and engage with CQCs national programme of identifying providers where there is significant risk of failure					<b>Action Manager</b>	HAS AD Q&E	<b>Action by</b>	Wed-31-May-17	<b>Completed</b>	
<b>Reduction</b>	20/473 - Continue to engage in ADASS work to manage major problems occurring, such as financial issues in the care provider market and ensure robust contingency planning and to learn lessons from serious case reviews at a national level					<b>Action Manager</b>	HAS AD Q&E	<b>Action by</b>	Wed-31-May-17	<b>Completed</b>	
<b>Reduction</b>	20/474 - Work with Veritau on audits of individual suppliers (ongoing)					<b>Action Manager</b>	HAS AD Q&E	<b>Action by</b>	Wed-31-May-17	<b>Completed</b>	
<b>Reduction</b>	20/484 - Consider and implement the recommendations from the actual cost of care exercise; interim payment made awaiting acceptance. Carry out a formal consultation with providers and make decision with HAS Executive Member					<b>Action Manager</b>	HAS AD Q&E	<b>Action by</b>	Mon-31-Oct-16	<b>Completed</b>	Sat-31-Dec-16
<b>Reduction</b>	20/486 - Continue to implement action plan following outcome of heat map exercise and ensure inclusion of NHS and Partners (ongoing)					<b>Action Manager</b>	HAS HoHR	<b>Action by</b>	Sat-31-Mar-18	<b>Completed</b>	



## Corporate Risk Register

Risk Register: **month 6 (April 2017) – detailed**

Next Review due: **November 2017**

Report Date: **25<sup>th</sup> April 2017 (pw)**

<b>Reduction</b>	20/492 - Review any opportunities to stabilise the market through additional Govt funding given to social care for this purpose (review position each year for next 3 years of funding)	AD SR (HAS) & Proc HAS AD Com	Sat-31- Mar-18								
<b>Reduction</b>	20/523 - 2020 Market shaping/development project	HAS AD Com HAS AD Q&E	Sat-31- Mar-18								
<b>Reduction</b>	20/524 - Workforce group to develop and support workforce across the sector	HAS AD Q&E HAS HoHR	Sat-31- Mar-18								
<b>Reduction</b>	20/525 - Begin scoping an intervention team	HAS AD Q&E	Wed-31- May-17								
<b>Reduction</b>	20/526 - Introduction of the Q&M database and planning for electronic solutions; awaiting provider list renewal	HAS AD Q&E	Sat-30- Sep-17								
<b>Phase 4 - Post Risk Reduction Assessment</b>											
<b>Probability</b>	H	<b>Objectives</b>	M	<b>Financial</b>	M	<b>Services</b>	M	<b>Reputation</b>	M	<b>Category</b>	2
<b>Phase 5 - Fallback Plan</b>											
<b>Fallback Plan</b>	20/548 - Make client safe, crisis meeting, implement relevant steps, consultation with senior staff and relevant organisations (e.g. Police CQC). Effective communication to relevant parties, utilise established failure plan.										<b>Action Manager</b>
											HAS AD Q&E

## Corporate Risk Register

Risk Register: **month 6 (April 2017) – detailed**  
 Next Review due: **November 2017**  
 Report Date: **25<sup>th</sup> April 2017 (pw)**

Phase 1 - Identification											
Risk Number	20/205	Risk Title	20/205 - Schools Organisation Policy and Place Planning			Risk Owner	Chief Exec	Manager	CD CYPS		
Description	Failure to assess and manage the combined effects of changes in the national school policy and funding framework, demographics (both rising and falling as a result of housing market changes) and national and local political circumstances, resulting in a fragmentation of the network of services for children, growing numbers of unsustainable and/or failing schools, insufficient school places, fragmentation due to academisation, increased public dissatisfaction, and loss of confidence in the County Council as local authority.				Risk Group	Strategic	Risk Type				
Phase 2 - Current Assessment											
Current Control Measures	Consistent monitoring of forecast numbers. Links with District Councils and developers over major housing developments (including ISDG work). Cross-directorate "Strategic Priority Schools" approach. Work with the Education Partnership, Keep up to date with current publications, email, etc. Reg review of DfE and other critical websites. Liaison with other LAs. Early assessment of resource implications on new development. Advocacy of NYCC case for funding, new procedures for grant & award acceptance, involvement in appropriate national conferences, participation in DfE priorities when possible, collaboration guidance and toolkit, review of planning areas to explore the level of need; framework for prioritisation of school organisation issues, briefings provided for elected Members and NY Education Partnership; involvement with White Paper strategic board; liaison with Education Funding Agency (EFA), DfE and Regional Schools Commissioner (RSC)										
Probability	H	Objectives	M	Financial	H	Services	M	Reputation	M	Category	I
Phase 3 - Risk Reduction Actions											
						Action Manager	Action by	Completed			
Reduction	20/538 - Continue to work with and use effective lobbying channels - ongoing work					AD SR (CYPS) & Prop CYPS AD S&C	Thu-31- Aug-17				
Reduction	20/539 - Develop arrangements to support the process of academisation, where it has been started, to ensure smooth transfer of schools. Assist groups of schools, where appropriate, to develop Multi Academy Trust arrangements					CYPS AD S&C	Thu-31- Aug-17				
Reduction	20/540 - Respond to consultation of Early Years funding and assess implications for the market, seeking to ensure an adequate supply of Early Years places					CYPS AD S&C	Sat-30- Sep-17				
Reduction	20/541 - Continue to encourage, support and build capacity to enable schools to work collaboratively to seek to ensure continued viability					CYPS AD S&C	Thu-31- Aug-17				
Reduction	20/542 - Continue to support alternative models of school leadership including mergers, federations and informal partnerships which is an S&C lead (ongoing)					CYPS AD S&C	Mon-31- Jul-17				
Reduction	20/544 - Ensure consistent approach corporately to CIL infrastructure funding					CYPS AD S&C	Thu-31- Aug-17				
Reduction	20/545 - Continual review of the estate including maintenance requirement (ongoing)					AD SR (CYPS) & Prop	Thu-31- Aug-17				
Reduction	20/546 - Exploit alternative sources of funding for the delivery of new school places					CYPS AD S&C	Thu-31- Aug-17				
Reduction	20/547 - Develop constructive relationships with the Regional Schools Commissioner					CYPS AD S&C	Thu-31- Aug-17				

## Corporate Risk Register

Risk Register: **month 6 (April 2017) – detailed**

Next Review due: **November 2017**

Report Date: **25<sup>th</sup> April 2017 (pw)**

<b>Reduction</b>	20/548 - Work with the Property team to mitigate risks to the delivery of the 2016/17 and 2017/18 capital plans arising from the transfer of the contract with Mouchel to an in-house arrangement				CYPS AD S&C	Thu-31-Aug-17					
<b>Phase 4 - Post Risk Reduction Assessment</b>											
<b>Probability</b>	M	<b>Objectives</b>	M	<b>Financial</b>	H	<b>Services</b>	M	<b>Reputation</b>	M	<b>Category</b>	2
<b>Phase 5 - Fallback Plan</b>											
<b>Fallback Plan</b>	20/629 - Investigate failure and resolve; member briefings; media mgt						<b>Action Manager</b>				
							CD CYPS				



## Corporate Risk Register

Risk Register: **month 6 (April 2017) – detailed**  
 Next Review due: **November 2017**  
 Report Date: **25<sup>th</sup> April 2017 (pw)**

Phase 1 - Identification											
<b>Risk Number</b>	20/187	<b>Risk Title</b>	20/187 - Information Governance				<b>Risk Owner</b>	Chief Exec	<b>Manager</b>	CD SR	
<b>Description</b>	Ineffective information governance arrangements lead to unacceptable levels of unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies resulting in loss of reputation, poor decision making, fine, etc					<b>Risk Group</b>	Legislative	<b>Risk Type</b>	CS 15/161		
Phase 2 - Current Assessment											
<b>Current Control Measures</b>			Information Governance Strategy including the associated Policy and Procedure Framework; CIGG Action Plan; data breach process; messages from senior management; on-line training; staff induction; Information Asset Owners identified; information asset registers; DIGCs; posters; intranet information; regular monitoring of electronic communication by ICT; series of unannounced security compliance visits by internal audit; application of all the features of the Information Security Management System (ISMS); FoI – controls include central monitoring of receipt and progress, regular review by Veritau and review of outstanding cases by the Chief Exec on a monthly basis; proactive monitoring of all data; terms of reference reviewed; Directorate virtual group; internal audit support investigation of significant data breaches; CIGG consider reasons for data breaches and cascade lessons learned; secure physical storage and internal info transfer issues resolved; Non NYCC Network Access Policy produced; e learning training packages refreshed; Data Sharing Protocol in place								
<b>Probability</b>	H	<b>Objectives</b>	M	<b>Financial</b>	M	<b>Services</b>	M	<b>Reputation</b>	H	<b>Category</b>	1
Phase 3 - Risk Reduction Actions											
							<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>		
<b>Reduction</b>	15/423 - Continue to emphasise personal responsibility of staff for all information in this area and consider disciplinary action in cases of data breaches						CD SR CSD ACE BS	Thu-31-Aug-17			
<b>Reduction</b>	15/424 - Review and update service information asset registers in line with policy guidelines						CSD SR AD T&C	Tue-31-Oct-17			
<b>Reduction</b>	15/426 - Ensure individual information sharing agreements completed for each data sharing activity (some agreements are already in place) - (ongoing)						Ho Int Audit	Thu-31-Aug-17			
<b>Reduction</b>	15/431 - Work within services in a prioritised order to ensure information is secure and transferred securely (ongoing)						CSD SR AD T&C	Sat-31-Mar-18			
<b>Reduction</b>	15/432 - Review existing training approach and investigate additional team based reviews to embed practice						CSD SR AD T&C Ho Int Audit	Fri-30-Jun-17			
<b>Reduction</b>	15/433 - Continue communications to staff to ensure good Information Governance including messages from Management Board and associated campaigns (ongoing)						CSD SR AD T&C Ho Int Audit	Thu-31-Aug-17			
Phase 4 - Post Risk Reduction Assessment											
<b>Probability</b>	M	<b>Objectives</b>	L	<b>Financial</b>	M	<b>Services</b>	L	<b>Reputation</b>	M	<b>Category</b>	4
Phase 5 - Fallback Plan											
<b>Fallback Plan</b>	15/514 - Review Action Plan and new technology and continue to raise awareness. Invite ICO to carry out an audit of NYCC IG systems								<b>Action Manager</b>	CD SR	



# Corporate Risk Register

Risk Register: month 6 (April 2017) – detailed

Next Review due: November 2017

Report Date: 25<sup>th</sup> April 2017 (pw)

Phase 1 - Identification											
<b>Risk Number</b>	20/334	<b>Risk Title</b>	20/334 - Opportunities for Devolution in North Yorkshire and Consideration of a Combined Authority				<b>Risk Owner</b>	Chief Exec		<b>Manager</b>	CD BES
<b>Description</b>	Failure to take advantage of Devolution opportunities in North Yorkshire resulting in reduced investment and impact on the growth and jobs across the whole of North Yorkshire.					<b>Risk Group</b>	Strategic		<b>Risk Type</b>	BES 7/174	
Phase 2 - Current Assessment											
<b>Current Control Measures</b>		Devolution proposals submitted to Govt., LEP strategic economic plan in place; NYCC retains the Infrastructure Delivery Steering Group; NYCC wide co-ordination of development needs linked to District plans; local authorities are moving towards a joint committee & considering a combined authority; LA Director group in place; plan detailing powers and funding developed;									
<b>Probability</b>	H	<b>Objectives</b>	M	<b>Financial</b>	H	<b>Services</b>	M	<b>Reputation</b>	M	<b>Category</b>	1
Phase 3 - Risk Reduction Actions											
						<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>			
<b>Reduction</b>	20/364 - Gain political support both locally and nationally (ongoing)					Chief Exec	Sat-30-Sep-17				
<b>Reduction</b>	20/916 - Establish the geography on which to secure Devolution					Chief Exec	Sat-30-Sep-17				
<b>Reduction</b>	20/917 - Develop detailed business cases for all requirements					Chief Exec	Sat-30-Sep-17				
<b>Reduction</b>	20/1397 - Negotiate the economic barriers and opportunities which Devolution can take advantage of with Government					CD BES	Sat-30-Sep-17				
Phase 4 - Post Risk Reduction Assessment											
<b>Probability</b>	M	<b>Objectives</b>	L	<b>Financial</b>	M	<b>Services</b>	M	<b>Reputation</b>	L	<b>Category</b>	4
Phase 5 - Fallback Plan											
								<b>Action Manager</b>			
<b>Fallback Plan</b>	20/551 - Consider a North Yorkshire deal							Chief Exec CD BES			

# Corporate Risk Register

Risk Register: month 6 (April 2017) – detailed

Next Review due: November 2017

Report Date: 25<sup>th</sup> April 2017 (pw)

Phase 1 - Identification											
Risk Number	20/47	Risk Title	20/47 - Partnership and Integration with the NHS			Risk Owner	Chief Exec	Manager	CD HAS		
Description	Failure to agree outline integration plans by 2017 leading to full integration plans by 2020 with the NHS, in the context of managing 3 ST Plans and failure to develop and implement new models of care. This could result in a negative impact on Devolution proposals, fragmentation of NY partnership planning and delivery arrangements, increased costs and inconsistent / poorer service delivery to local people				Risk Group	Partnerships	Risk Type	CYPS 24/221 HAS 3/180			
Phase 2 - Current Assessment											
Current Control Measures		<p><b>HAS:</b> Effective HWB partnership with clear governance providing strategic leadership with a shared performance dashboard; chief Officer representation influencing the development of STPs; HASLT locality delivery model in place actively shaping local integration plans; Joint leadership in Harrogate delivering a new model of care and in Scarborough developing a new model of care; agreement in 2016/17 to protect social care through the Better Care Fund; agreement with NY Commissioner Forum to develop a joint commissioning strategy that will include CHC and other areas; Health and Well-being Strategy in place</p> <p><b>CYPS:</b> H&amp;W Board; Children's Trust Board; Public Health team; CYPLT; Dir of partnership Commissioning; joint post of Commissioning Manager; joint post of Public Health analyst; CYPS Plan; Health and Well-being Strategy refreshed with children's health as a priority and aligned with the CYPS Plan; JSNA; CYPLT fully briefed and up to date with the changing commissioning landscape and the different roles involved; appropriate engagement secured with CCGs and PCU for commissioning affecting children and young people and their families; services recommissioned for 0-5 and 5 - 19 Healthy Child Programme to ensure close alignment with Preventative Services; children's health performance reviewed at the Children's Trust Board to monitor the impact of changes on children's health outcomes in North Yorkshire; Work with Public Health to embed PH outcomes into the work of CYPS; Director of PH annual 2015 report focussing on children's health; arrangements for services for children with speech, language and communication needs in place and currently remaining under joint review; specifications for 0-5 healthy child service in place and monitored; CCGs 'future in mind' plans 2015/16 &amp; 2016/17 reflects the needs of Children and Young People in N Yorkshire; tender process for future contracts;</p>									
Probability	M	Objectives	M	Financial	H	Services	M	Reputation	M	Category	2
Phase 3 - Risk Reduction Actions											
Reduction	Description	Action Manager	Action by	Completed							
Reduction	20/60 - Ensure new S75 agreement signed by CCGs 2017/18 (ongoing)	AD SR (HAS) & Proc	Sat-30-Sep-17								
Reduction	20/362 - Ensure NHS partners are fully aware of the democratic and political environment they are operating within and liaise with Scrutiny colleagues to ensure a positive outcome (ongoing)	CD HAS	Thu-31-Aug-17								
Reduction	20/363 - Actively monitor relationships, priorities and communications and ensure that HAS managers are fully engaged at appropriate level and review at HAS WLT on a regular basis (ongoing)	CD HAS	Thu-31-Aug-17								
Reduction	20/399 - Develop and implement outline integration plans with CCGs	HAS AD Integration	Fri-30-Jun-17								
Reduction	20/400 - Arrange a HB workshop on the challenges of managing the health and social care economy in N Yorkshire	HAS AD Integration	Wed-30-Nov-16	Wed-30-Nov-16							
Reduction	20/402 - Ensure that additional social care funding is used in a sustainable way (ie non recurrent). Further lobbying required with Govt to establish how this dovetails with improved BCF and additional funding post green paper.	CD HAS CD SR	Sat-31-Mar-18								



## Corporate Risk Register

Risk Register: **month 6 (April 2017) – detailed**

Next Review due: **November 2017**

Report Date: **25<sup>th</sup> April 2017 (pw)**

<b>Reduction</b>	20/450 - Ensure effective monitoring arrangements for the 0-5 contract are in place	CYPS S&C CMH	Fri-31-Mar-17	Fri-31-Mar-17
<b>Reduction</b>	20/451 - Agree and implement new models of care in all CCG localities (2 localities Harrogate and Scarborough by Sept 2017 identified and progressing, and remaining 3 localities by Sept 2018)	CD HAS	Sat-30-Sep-17	
<b>Reduction</b>	20/452 - Engage wider HASLT in testing the implications of different integration models	HAS AD Com HAS AD Integration	Mon-31-Jul-17	
<b>Reduction</b>	20/453 - Continue to monitor the impact of the challenge of having 3 STPs, including through Health scrutiny	HAS AD Integration	Thu-31-Aug-17	
<b>Reduction</b>	20/457 - Improve the DToC (Delayed Transfer of Care) performance to avoid financial penalties and reputational issues. Put in place affordable DToC (Delayed Transfer of Care) plans that avoid financial penalties	HAS AD C&S HAS AD Com	Fri-30-Jun-17	
<b>Reduction</b>	20/458 - Consider the viability of a local Risk Share Agreement with NHS Partners (ongoing)	AD SR (HAS) & Proc HAS AD Integration	Thu-31-Aug-17	
<b>Reduction</b>	20/459 - Review governance arrangements for the Health and Wellbeing Board to ensure delivery of the joint H & W Strategy	HAS AD Integration	Sat-30-Sep-17	
<b>Reduction</b>	20/477 - Ensure Healthy Child team and Prevention team collaborate effectively to deliver improved outcomes of Children, Young People and Families	CYPS C&F HoPrev	Sat-30-Sep-17	
<b>Reduction</b>	20/479 - Ensure that the CCGs refreshed 'future in mind' plans 2016/17 reflect the needs of Children and Young People in N Yorkshire	CYPS AD S&C	Fri-31-Mar-17	Fri-31-Mar-17
<b>Reduction</b>	20/481 - Continue to contribute to the delivery of the workplan for the Health and Well-being Board in relation to children's health priorities and ensure strategic decision making in Health is influenced through alignment with the JSNA and the Children and Young People's Plan (ongoing)	CD CYPS	Sat-30-Sep-17	
<b>Reduction</b>	20/482 - Contribute to the review of the Partnership Commissioning Unit (no formal opportunity provided)	CD CYPS CYPS Incl HoIE	Fri-31-Mar-17	Fri-31-Mar-17
<b>Reduction</b>	20/527 - Work with the commissioned provider and all commissioners to ensure social and emotional services are effective	CYPS C&F HoRes	Thu-30-Apr-20	
<b>Reduction</b>	20/528 - Address lessons learned from the SEND inspection to strengthen the partnership with Health	CYPS AD Incl	Mon-31-Jul-17	
<b>Reduction</b>	20/529 - Carry out focussed in depth analyses of children's health in N Yorkshire, raising awareness and seeking actions from partner agencies to mitigate risks around children's physical and mental health, and to inform commissioning decisions	CYPS AD S&C	Wed-30-Nov-16	Wed-30-Nov-16
<b>Reduction</b>	20/531 - Hold regular contract monitoring and quality assurance meetings with providers including on site commissioning visits	CYPS S&C CMH	Thu-31-Aug-17	
<b>Reduction</b>	20/565 - Develop and agree the scope for a joint commissioning programme	HAS AD Integration	Fri-30-Jun-17	
<b>Reduction</b>	20/566 - Establish a Joint Commissioning Group with Scarborough CCG	AD SR (HAS) & Proc HAS AD Integration	Fri-30-Jun-17	

### Phase 4 - Post Risk Reduction Assessment

<b>Probability</b>	M	<b>Objectives</b>	M	<b>Financial</b>	H	<b>Services</b>	M	<b>Reputation</b>	M	<b>Category</b>	2
--------------------	---	-------------------	---	------------------	---	-----------------	---	-------------------	---	-----------------	---



# Corporate Risk Register

Risk Register: **month 6 (April 2017) – detailed**

Next Review due: **November 2017**

Report Date: **25<sup>th</sup> April 2017 (pw)**

<b>Phase 5 - Fallback Plan</b>		<b>Action Manager</b>
<b>Fallback Plan</b>	20/210 - Escalation to CMB and Executive Members, further engagement with senior tiers in NHS locally, regionally and nationally.	CD HAS



# Corporate Risk Register

Risk Register: **month 6 (April 2017) – detailed**

Next Review due: **November 2017**

Report Date: **25<sup>th</sup> April 2017 (pw)**

Phase 1 - Identification											
<b>Risk Number</b>	20/189	<b>Risk Title</b>	20/189 - Safeguarding Arrangements				<b>Risk Owner</b>	Chief Exec	<b>Manager</b>	CD HAS CD CYPS	
<b>Description</b>	Failure to have a robust Safeguarding service in place results in risk to vulnerable children, adults and families and not protecting them from harm.					<b>Risk Group</b>	Safeguarding	<b>Risk Type</b>	CYPS 24/250 HAS 3/27		
Phase 2 - Current Assessment											
<b>Current Control Measures</b>		<p><b>CYPS</b> – Safeguarding website; regularly reviewed procedures; monthly performance data for monitoring; audit regime; manager authorisation of all assessments; ICS; family intervention team; training strategy; clear supervision process which is audited on a regular basis; customer contact screening team; OFSTED 'good' categorisation; delivery and implementation of the Child Sexual Exploitation (CSE) strategy with the LSCB; working with colleagues and Partnership Commissioning Unit to ensure appropriate resources are available for complex young people; Implementation of VEMT process; LSCB structure reviewed</p> <p><b>HAS</b> - Detailed action plan; Safeguarding review for the County; revised Safeguarding Boards and sub groups linked to new Care Act provisions; Safeguarding Head of Locality and team; strengthening of Safeguarding policy team; case file audit and review; training plan; best interest assessors in post; better understanding &amp; embedding of Mental Capacity Act Forum; independent chair to Safeguarding Board in place; risk enablement panel developed; countywide safeguarding general manager in place; testing of initial performance metrics for Safeguarding Board has taken place; safeguarding procedures reviewed linked to consultation in light of the Care Act; safeguarding board performance framework; protocol for the relationship between Adults Social Care (and Children's Trust) and the Health and Wellbeing Board agreed and implemented; risk assessment tool launched; information framework for serious incident data implemented;</p>									
<b>Probability</b>	M	<b>Objectives</b>	H	<b>Financial</b>	M	<b>Services</b>	M	<b>Reputation</b>	H	<b>Category</b>	2
Phase 3 - Risk Reduction Actions											
							<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>		
<b>Reduction</b>	20/374 - Ensure compliance with Safeguarding Board and Children and Families' procedures [CYPS]						CYPS AD C&F	Mon-31-Jul-17			
<b>Reduction</b>	20/375 - Commission external placements and negotiate specific competencies of staff plus additional medical resources for complex Young People [CYPS]						CYPS C&F HoS&LAC	Mon-31-Oct-16	Sat-31-Dec-16		
<b>Reduction</b>	20/376 - Continue to raise awareness of the escalation procedures relating to children missing and at risk of being VEMT [CYPS]						CYPS C&F HoS&LAC	Mon-31-Jul-17			
<b>Reduction</b>	20/377 - Ensure all cases of children at risk of CSE are flagged on LCS [CYPS]						CYPS C&F HoS&LAC	Mon-31-Jul-17			
<b>Reduction</b>	20/378 - Ongoing Mgt file audit of case files against established assessment standards and staff supervision files [CYPS]						CYPS C&F SMT	Mon-31-Jul-17			
<b>Reduction</b>	20/379 - Monitoring and management of performance against agreed targets in the SMT action plan [CYPS]						CYPS C&F SMT	Mon-31-Jul-17			
<b>Reduction</b>	20/381 - Implementation of the VEMT (Vulnerable, Exploited, Missing, Trafficked) process through the LSCB [CYPS]						CYPS C&F HoS&LAC	Mon-31-Oct-16	Mon-31-Oct-16		
<b>Reduction</b>	20/382 - Feed into review of EDT arrangements (adult lead) [CYPS]						CYPS AD C&F	Fri-30-Jun-17			
<b>Reduction</b>	20/384 - Review of planning structure for Local Safeguarding Board (CYPS); subgroups rationalised						CYPS C&F SUM	Sat-31-Dec-16	Sat-31-Dec-16		
<b>Reduction</b>	20/385 - Develop an information framework for serious incident data, eg drug death etc [HAS]						AD SR (HAS) & Proc HAS AD Q&E	Fri-31-Mar-17	Tue-28-Feb-17		

## Corporate Risk Register

Risk Register: **month 6 (April 2017) – detailed**

Next Review due: **November 2017**

Report Date: **25<sup>th</sup> April 2017 (pw)**

<b>Reduction</b>	20/456 - Continued vigilance to ensure our supervisory body role adheres to good practice and national guidance, evidenced by regular reports to HASLT and members [HAS]	HAS AD Q&E	Wed-31-May-17								
<b>Reduction</b>	20/487 - Continue to work with Quality and Engagement team to improve quality assurance; including work with CQC, Health and Healthwatch [HAS]	HAS AD C&SHAS AD Q&E	Thu-31-Aug-17								
<b>Reduction</b>	20/489 - Ongoing joint work with CYPs to carry out review of approach to domestic abuse and Prevent [HAS]	HAS AD Q&E	Sun-31-Dec-17								
<b>Reduction</b>	20/490 - Complete training in respect of safeguarding policies and procedures and wider awareness training for groups such as elected Members [HAS]	HAS AD C&S	Mon-31-Jul-17								
<b>Reduction</b>	20/532 - Bringing in further experienced staff whenever possible [HAS]	HAS AD C&S	Wed-31-May-17								
<b>Reduction</b>	20/533 - Carry out a regional review of the safeguarding policies & procedures together with an independent review of NYCC practice	HAS AD C&S	Tue-31-Oct-17								
<b>Reduction</b>	20/534 - Carry out the supervisory body role for DoLS to ensure the system works; within priorities agreed [HAS]	HAS AD Q&E	Wed-31-May-17								
<b>Reduction</b>	20/535 - Continue to ensure partners are fully engaged with Safeguarding boards centrally and locally, particularly new health partners (CCGs) - ongoing, two board development days held [HAS]	HAS AD C&S HAS AD Q&E	Wed-31-May-17								
<b>Reduction</b>	20/536 - Embedding safeguarding work to deliver the Transforming Care programme incl. embedding the care act role of Principal Social Worker and Safeguarding Board Manager [HAS]	HAS AD C&S	Wed-31-May-17								
<b>Phase 4 - Post Risk Reduction Assessment</b>											
<b>Probability</b>	L	<b>Objectives</b>	H	<b>Financial</b>	M	<b>Services</b>	M	<b>Reputation</b>	H	<b>Category</b>	3
<b>Phase 5 - Fallback Plan</b>											
											<b>Action Manager</b>
<b>Fallback Plan</b>	20/545 - Carry out necessary review of approach, target underperforming areas and take on lessons learned from any serious case reviews									CD CYPs CD HAS	

## Corporate Risk Register

Risk Register: **month 6 (April 2017) – detailed**

Next Review due: **November 2017**

Report Date: **25<sup>th</sup> April 2017 (pw)**

Phase 1 - Identification											
<b>Risk Number</b>	20/206	<b>Risk Title</b>	20/206 - Growth				<b>Risk Owner</b>	Chief Exec		<b>Manager</b>	CD BES
<b>Description</b>	Failure to deliver the ambition of Sustainable Economic Growth through the delivery of the right housing, transport, and connectivity infrastructure, whilst protecting the outstanding environment and heritage, and within the context of two-tier local government structure and wider macro-economic policy and processes. This results in an inability to attract, retain and grow businesses, increase the house building rate, raise living standards and increase spending power.					<b>Risk Group</b>	Strategic		<b>Risk Type</b>	BES 7/232	
Phase 2 - Current Assessment											
<b>Current Control Measures</b>			Direct contribution and support, including through provision of accountable body function, to the YNYER Local Enterprise Partnership; Establishment of an Economic Growth Function within BES; Proactive engagement in LGNY partnership working including through Directors of Development, Chief Housing Officers, and Economic Development Officer Groups; Lead role in enabling and developing YNYER Spatial Framework; Lead role in supporting and developing the NYCC Infrastructure Delivery Steering Group; Lead role in initiating and developing the NYCC Economic Growth Plan; Work to secure Combined Authority / Devolution deal with Government; NYCC Economic Growth Plan completed and approved by Executive; collaborative working arrangements with District Councils in place; the YNYERH Spatial Framework endorsed by the LGNY Board and in place;								
<b>Probability</b>	M	<b>Objectives</b>	M	<b>Financial</b>	H	<b>Services</b>	H	<b>Reputation</b>	H	<b>Category</b>	2
Phase 3 - Risk Reduction Actions											
						<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>			
<b>Reduction</b>	20/549 - Carry out corporate implementation of NYCC Economic Growth and Delivery Plan (annual review of progress)					BES AD GP&TS BES GP&TS HoSP&EG	Sun-31-Dec-17				
<b>Reduction</b>	20/550 - Embed enhanced collaborative working arrangements with District Councils (annual review of progress)					BES AD GP&TS	Sun-31-Dec-17				
<b>Reduction</b>	20/551 - Ensure further detailed stakeholder engagement and development of the YNYER Spatial Framework to enable effective long-term planning and investment of infrastructure for growth.					BES AD GP&TS	Sat-31-Mar-18				
<b>Reduction</b>	20/552 - Maintain good working relationship with the LEP (ongoing)					CD BES	Sat-30-Sep-17				
<b>Reduction</b>	20/553 - Understand and investigate any impacts of Brexit and ensure opportunities are taken					BES AD EPU CD BES	Sun-30-Sep-18				
Phase 4 - Post Risk Reduction Assessment											
<b>Probability</b>	M	<b>Objectives</b>	M	<b>Financial</b>	M	<b>Services</b>	M	<b>Reputation</b>	M	<b>Category</b>	4
Phase 5 - Fallback Plan											
										<b>Action Manager</b>	
<b>Fallback Plan</b>	20/553 - Review and revise existing arrangements for sustainable economic growth									CD BES	

# Corporate Risk Register

Risk Register: **month 6 (April 2017) – detailed**  
 Next Review due: **November 2017**  
 Report Date: **25<sup>th</sup> April 2017 (pw)**

Phase 1 - Identification											
<b>Risk Number</b>	20/389	<b>Risk Title</b>	20/389 - Health and Safety				<b>Risk Owner</b>	Chief Exec	<b>Manager</b>	CD SR	
<b>Description</b>	Major Corporate Health and Safety failure resulting in injuries, claims, reputational and service delivery impact and possible prosecution					<b>Risk Group</b>	Legislative	<b>Risk Type</b>	CS 15/183		
Phase 2 - Current Assessment											
<b>Current Control Measures</b>			HSRM Service Plan feeding into Directorate Action Plans; H&S team; Corporate H&S Policy; Corporate and Directorate H&S procedures; intranet and cyps.info sites; Directorate RM groups; RM Working groups; H&S Champions and lead officers; reporting on a regular basis; on-going H&S risk assessment, training, monitoring and audit; corporate H&S training; managers' online H&S training and other modules revised; health and safety function within NYCC (2nd stage & 3rd stage) reviewed; Work with City of York Council to agree the new structure for the shared service;								
<b>Probability</b>	L	<b>Objectives</b>	M	<b>Financial</b>	M	<b>Services</b>	M	<b>Reputation</b>	H	<b>Category</b>	3
Phase 3 - Risk Reduction Actions											
							<b>Action Manager</b>	<b>Action by</b>	<b>Completed</b>		
<b>Reduction</b>	15/248 - Continue delivery of the programme of H&S monitoring (ongoing)						AD SR (CYPS) & Prop	Thu-31-Aug-17			
<b>Reduction</b>	15/249 - Implement the revised directorate H&S action plans in line with the top 10 risks agreed at CRMG and report performance						AD SR (CYPS) & Prop	Thu-31-Aug-17			
<b>Reduction</b>	15/255 - Ensure appropriate operating standards of H&S risk assessments exist and are being implemented locally (linked to 15/249 above)						AD SR (CYPS) & Prop	Thu-31-Aug-17			
<b>Reduction</b>	15/257 - Continue to review and revise the corporate H&S procedures alongside alignment with the safety management system						CSD SR HoHSRM	Sat-30-Sep-17			
<b>Reduction</b>	15/408 - Implement arrangements for H&S function following the agreement of the structure for shared services with City of York Council						AD SR (CYPS) & Prop	Mon-31-Jul-17			
<b>Reduction</b>	15/417 - Carry out review of the health and safety function – 3rd stage						AD SR (CYPS) & Prop	Fri-31-Mar-17	Fri-31-Mar-17		
<b>Reduction</b>	15/427 - Review and revise the employees' online H&S training and other modules (course developed, 'go live' in progress)						AD SR (CYPS) & Prop	Wed-31-May-17			
Phase 4 - Post Risk Reduction Assessment											
<b>Probability</b>	L	<b>Objectives</b>	M	<b>Financial</b>	M	<b>Services</b>	M	<b>Reputation</b>	H	<b>Category</b>	3
Phase 5 - Fallback Plan											
							<b>Action Manager</b>				
<b>Fallback Plan</b>	20/628 - Liaise with HSE, media management, implement fatal/serious injury response guide						CSD SR HoHSRM				



## Corporate Risk Register

Risk Register: **month 6 (April 2017) – summary**  
 Next Review Due: **November 2017**  
 Report Date: **25<sup>th</sup> April 2017(pw)**

Identity			Person		Classification												Fallback Plan				
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR		Post						FBPlan	Action Manager	
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat			
◀▶	<b>20/207 - 2020 North Yorkshire Change Programme and beyond</b>	Failure to successfully implement the Programme and Modern Council ways of working resulting in inability to meet financial savings requirements, sub-optimal decision making and poorer quality of services.	Chief Exec	CSD SR AD T&C	H	H	H	H	H	1	13	31/08/2017	M	H	H	H	H	H	2	Y	All Mgt Board
◀▶	<b>20/1 - Funding Challenges</b>	Inadequate funding available to the County Council to discharge its statutory responsibilities and to meet public expectation for the remainder of the decade resulting in legal challenge, unbalanced budget and public dissatisfaction	Chief Exec	CD SR	H	H	H	H	H	1	6	30/09/2017	M	H	H	M	M	2	Y	All Mgt Board	
◀▶	<b>20/194 - Major Failure due to Quality and/or Economic Issues in the Care Market</b>	Major failure of provider/key providers results in the Directorate being unable to meet service user needs. This could be caused by economic performance or resource capabilities including recruitment and retention. The impact could include loss of trust in the Care Market, increased budgetary implications and issues of service user safety.	CD HAS	HAS AD Q&E	H	M	H	M	H	1	14	31/05/2017	H	M	M	M	M	2	Y	HAS AD Q&E	
◀▶	<b>20/205 - Schools Organisation Policy and Place Planning</b>	Failure to assess and manage the combined effects of changes in the national school policy and funding framework, demographics (both rising and falling as a result of housing market changes) and national and local political circumstances, resulting in a fragmentation of the network of services for children, growing numbers of unsustainable and/or failing schools, insufficient school places, fragmentation due to academisation, increased public dissatisfaction, and loss of confidence in the County Council as local authority.	Chief Exec	CD CYPS	H	M	H	M	M	1	10	31/07/2017	M	M	H	M	M	2	Y	CD CYPS	

## Corporate Risk Register

Risk Register: **month 6 (April 2017) – summary**

Next Review Due: **November 2017**

Report Date: **25<sup>th</sup> April 2017(pw)**

Identity			Person		Classification												Fallback Plan			
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR		Post						FBPlan	Action Manager
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat		
◀▶	<b>20/187 - Information Governance</b>	Ineffective information governance arrangements lead to unacceptable levels of unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies resulting in loss of reputation, poor decision making, fine, etc	Chief Exec	CD SR	H	M	M	M	H	1	6	30/06/2017	M	L	M	L	M	4	Y	CD SR
◀▶	<b>20/334 - Opportunities for Devolution in North Yorkshire and Consideration of a Combined Authority</b>	Failure to take advantage of Devolution opportunities in North Yorkshire resulting in reduced investment and impact on the growth and jobs across the whole of North Yorkshire.	Chief Exec	CD BES	H	M	H	M	M	1	4	30/09/2017	M	L	M	M	L	4	Y	Chief Exec CD BES
◀▶	<b>20/47 - Partnership and Integration with the NHS</b>	Failure to agree outline integration plans by 2017 leading to full integration plans by 2020 with the NHS, in the context of managing 3 ST Plans and failure to develop and implement new models of care. This could result in a negative impact on Devolution proposals, fragmentation of NY partnership planning and delivery arrangements, increased costs and inconsistent / poorer service delivery to local people	Chief Exec	CD HAS	M	M	H	M	M	2	23	30/06/2017	M	M	H	M	M	2	Y	CD HAS
◀▶	<b>20/189 - Safeguarding Arrangements</b>	Failure to have a robust Safeguarding service in place results in risk to vulnerable children, adults and families and not protecting them from harm.	Chief Exec	CD HAS CD CYPS	M	H	M	M	H	2	19	31/05/2017	L	H	M	M	H	3	Y	CD CYPS CD HAS

## Corporate Risk Register

Risk Register: **month 6 (April 2017) – summary**  
 Next Review Due: **November 2017**  
 Report Date: **25<sup>th</sup> April 2017(pw)**

Identity			Person		Classification												Fallback Plan			
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR		Post						FBPlan	Action Manager
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat		
◀▶	<b>20/206 - Growth</b>	Failure to deliver the ambition of Sustainable Economic Growth through the delivery of the right housing, transport, and connectivity infrastructure, whilst protecting the outstanding environment and heritage, and within the context of two-tier local government structure and wider macro-economic policy and processes. This results in an inability to attract, retain and grow businesses, increase the house building rate, raise living standards and increase spending power.	Chief Exec	CD BES	M	M	H	H	H	2	5	30/09/2017	M	M	M	M	M	4	Y	CD BES
◀▶	<b>20/389 - Health and Safety</b>	Major Corporate Health and Safety failure resulting in injuries, claims, reputational and service delivery impact and possible prosecution	Chief Exec	CD SR	L	M	M	M	H	3	7	31/05/2017	L	M	M	M	H	3	Y	CSD SR HoHSRM

Key	
▲	Risk Ranking has worsened since last review.
▼	Risk Ranking has improved since last review
◀▶	Risk Ranking is same as last review
- new -	New or significantly altered risk

**NORTH YORKSHIRE COUNTY COUNCIL****AUDIT COMMITTEE****22 JUNE 2017****AUDIT COMMITTEE WORK PROGRAMME****Report of the Corporate Director, Strategic Resources****1.0 Purpose of the Report**

- 1.1 The Audit Committee is scheduled to hold meetings on the following dates for the rest of the year.

22 June 2017

13 July 2017

7 September 2017

28 September 2017

30 November 2017

- 1.2 The acceleration of the Statement of Final Accounts, however, requires the Council to work towards an earlier deadline. Historically the Audit Committee has considered a draft Statement of Final Accounts in the July meeting following a more in depth review of Governance and the Annual Governance Statement in the June meeting. You will see in the agenda for this meeting, both the draft Statement of Final Accounts and the consideration of AGS and wider Governance arrangements are both presented for Members' attention. As a result, it is considered that it is possible to cancel the July meeting of the Audit Committee and, in the interim, the Governance Working Group can continue to review whatever it deems necessary.
- 1.3 A reserve date of 28 September has been provided for final sign off of the Statement of Final Accounts for the Audit Committee should it not be possible to achieve that objective by 7 September. Clearly if it is possible to complete the work by 7 September then the later meeting can be cancelled. At this stage, Members are requested to keep the date available should it be required.
- 1.4 It was intended that the Audit Committee would be presented with a review of CYPS Internal Audit reports and the Directorate would be represented in order to present key areas of challenge and take questions from Members. Unfortunately, changes in personnel at Assistant Director level mean that it has not been possible to have CYPS attendance for the June meeting and it has been rescheduled for September. The new Director of CYPS will also be in place for that particular meeting.
- 1.5 Informal briefing sessions had provisionally been scheduled before the July and later September meetings are it will therefore be necessary to reschedule

these discussions. A verbal update will be provided to the Audit Committee and views sought as to priorities.

- 1.6 **Appendix 1** identifies the current Work Programme and **Appendix 2** identifies how it would look if the July and later September meeting were to be cancelled.

## **2.0 Recommendation**

- 2.1 Audit Committee are requested to note the contents of this report and consider the issues raised therein.

Report prepared and presented by Gary Fielding, Corporate Director, Strategic Resources

GARY FIELDING  
Corporate Director, Strategic Resources  
County Hall  
Northallerton

22 June 2017

## AUDIT COMMITTEE - PROGRAMME OF WORK 2017 / 18

ANNUAL WORKPLAN		JUNE 17	JULY 17	SEPT 17	SEPT 17 PROVISIONAL	DEC 17
<b>Audit Committee Agenda Items</b>						
<b>A</b>	Training for Members (as necessary)	2	3	TBA		TBA
	Annual Internal Audit Plan 2017/18	x				
	Annual report of Head of Internal Audit 2015/16	x				
	Progress Report on Annual Internal Audit Plan 2016/17			x		x
	Internal Audit report on Children and YP's Service			x		
	Internal Audit report on Computer Audit/Corporate Themes/Contracts			x		
	Internal Audit report on Health and Adult Services			x		
	Internal Audit report on BES					x
	Internal Audit report on Central Services					
<b>B</b>	Annual Audit Letter					x
	Annual Audit Plan 2015/16 (NYCC & NYPF)					
	Annual Report / Letter of the External Auditor	x		x		
	Interim Audit Report	x				
	Discussion with External Auditor on 1-to-1 basis					
<b>C</b>	Statement of Final Accounts including AGS (NYCC + NYPF)	x		x	x	
	Letter of Representation			x		
	Chairman's Annual Report			x		
	Effectiveness of Audit Committee	x				
	Changes in Accounting Policies					
	Corporate Governance – review of Local Code + AGS	x				
	– progress report inc re AGS	x				
	Risk Management (inc Corporate R/R) – progress report	x				x
	Partnership Governance – progress report	x				
	Information Governance – progress report					
	Review of Finance/Contract/Property Procedure Rules					
	Business Continuity	x				
	Audit Committee Terms of Reference					x
	Contract Fraud					
	Contract Management					x
	Treasury Management – Executive February					
Corporate Procurement Strategy	x					
VFM Review						
<b>D</b>	Work Programme	x	x	x		x
	Progress on issues raised by the Committee (inc Treasury Management)	x		x		x
<b>E</b>	Agenda planning / briefing meeting	06/06				
	Audit Committee Agenda/Reports deadline	12/06				
	<b>Audit Committee Meeting Dates</b>	22/06	13/07	07/09	28/09	30/11

A = Internal Audit  
 B = External Audit  
 C = Statement of Final Accounts / Governance  
 D = Other  
 E = Dates

⊙ before formal meeting  
 1 Cyber Security and General Information Governance  
 2 Modern Council 2020 Programme  
 3 Health / HAS – Richard Webb and Jim Clark  
 Sessions to be sorted

## AUDIT COMMITTEE - PROGRAMME OF WORK 2017 / 18

ANNUAL WORKPLAN		JUNE 17	SEPT 17	DEC 17
<b>Audit Committee Agenda Items</b>				
<b>A</b>	Training for Members (as necessary)	2	TBA	TBA
	Annual Internal Audit Plan 2017/18	*		
	Annual report of Head of Internal Audit 2015/16	*		
	Progress Report on Annual Internal Audit Plan 2016/17		*	*
	Internal Audit report on Children and YP's Service		*	
	Internal Audit report on Computer Audit/Corporate Themes/Contracts		*	
	Internal Audit report on Health and Adult Services		*	
	Internal Audit report on BES			*
	Internal Audit report on Central Services			
<b>B</b>	Annual Audit Letter			*
	Annual Audit Plan 2015/16 (NYCC & NYPF)			
	Annual Report / Letter of the External Auditor	*	*	
	Interim Audit Report	*		
	Discussion with External Auditor on 1-to-1 basis			
<b>C</b>	Statement of Final Accounts including AGS (NYCC + NYPF)	*	*	
	Letter of Representation		*	
	Chairman's Annual Report		*	
	Effectiveness of Audit Committee	*		
	Changes in Accounting Policies			
	Corporate Governance – review of Local Code + AGS	*		
	– progress report inc re AGS	*		
	Risk Management (inc Corporate R/R) – progress report	*		*
	Partnership Governance – progress report	*		
	Information Governance – progress report			
	Review of Finance/Contract/Property Procedure Rules			
	Business Continuity	*		
	Audit Committee Terms of Reference			*
	Counter Fraud			
	Contract Management			*
	Treasury Management – Executive February			
Corporate Procurement Strategy	*			
VFM Review				
<b>D</b>	Work Programme	*	*	*
	Progress on issues raised by the Committee (inc Treasury Management)	*	*	*
<b>E</b>	Agenda planning / briefing meeting	06/06		
	Audit Committee Agenda/Reports deadline	12/06		
	<b>Audit Committee Meeting Dates</b>	22/06	07/09	30/11

A = Internal Audit  
 B = External Audit  
 C = Statement of Final Accounts / Governance  
 D = Other  
 E = Dates

⊙ before formal meeting  
 1 Cyber Security and General Information Governance  
 2 Modern Council 2020 Programme  
 3 Health / HAS – Richard Webb and Jim Clark  
 Sessions to be sorted