

# NORTH YORKSHIRE COUNTY COUNCIL

## AUDIT COMMITTEE

30 November 2017

### PROGRESS ON ISSUES RAISED BY THE COMMITTEE

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

#### 1.0 PURPOSE OF THE REPORT

1.1 To advise Members of

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

#### 2.0 BACKGROUND

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

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
23/09/15	146 – Internal Audit Work and related Internal Control Matters for the Health and Adult Services Directorate.	That the Corporate Director – Strategic Resources discuss the timing of the next governance review of the Health and Wellbeing Board and Integrated Commissioning Board with the Assistant Director – Strategic Resources and the Head of Internal Audit.	Awaiting latest set of guidelines for Better Care Fund and on-going discussions with Health. Optimum timing will then be determined. A verbal update was provided to the Committee at the last meeting. This issue is such that it is unlikely that a single action will address. It is suggested that verbal updates continue to be provided and the focus on HAS for the September meeting provides opportunity to explore further.	?
02.03.17	225- Progress on Issues raised by the Committee	That the Corporate Director, Health and Adult Services be invited to attend the Audit	Due to the availability of the Corporate Director, Health and Adult Services on 28 September an invitation has	✓

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
		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.	been sent for the meeting on 30 November 2017.	
	13 – Review of the Effectiveness of the Audit Committee	That the Committee be asked, in six months' time, whether it wished to proceed with a review of the Committee's effectiveness and the form and scope of any such review	To consider again at the December meeting	X
	13 – Review of the Effectiveness of the Audit Committee	That the results of the questionnaire issued to all Members of the Audit Committee in March be circulated to Audit Committee Members.	The information was circulated prior to the last meeting.	✓
	16 – Corporate Procurement Strategy Update	That the Head of Procurement and Contract Management provide Mr David Portlock with information about the increase in the number of local businesses which are now supplying the County Council.	This information has now been supplied, which showed that there was an increase in the number of local businesses which are now supplying the County Council.	✓
07.09.17	22 – Internal Audit Report on Information Technology, Corporate Themes and Contracts	That the Assistant Director, Technology and Change report to a future meeting of the Committee concerning the intention of the agreed action, which has not been fully implemented, arising from the Wireless Network follow-up audit.	The outstanding action for the monitoring of the wireless Intrusion Detection System (IDS) events is being delivered in two phases. The first phase will be the proactive monitoring of security events. This has been held back by the number of IDS alerts a day, in the region of 70,000 many of which are benign. By the end of Q3 2017/18 (31/12/17) work will be complete on the fine-tuning of the Wireless IDS, this action will ensure that only incidents which pose a real threat to the network (e.g. Denial of Service attack) will be reported to be addressed. In addition the second phase the restructuring of the team to	✓

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
			provide a more proactive cyber-security analysis capability, will be also be delivered as part of the improvement project – the design and establishment of duties for the team is taking place in Q3 2017/18 for implementation in Q1 2018/19 subject to any necessary HR consultation.	
	30 – Programme of Work 2017/18	Governance of External Companies being included in the Programme for the March 2018 meeting.	This has now been included in the Programme of work.	✓

### 3.0 TREASURY MANAGEMENT

- 3.1 The County Councils Treasury Management Consultants, Capita Asset Services – Treasury Solutions announced on 6 November, the acquisition of Capita Asset Services, formerly part of Capita plc, by Link Group. The only immediate change that will impact on the County Council is the change in trading name to Link Asset Service and all elements of the treasury management consultancy service continue to be provided under the new trading name.
- 3.2 On 2 November the Monetary Policy Committee (MPC) of the Bank of England announced an increase in banks rate from 0.25% to 0.50%. The move was seen as a reversal of the 0.25% interest rate reduction that was applied in August 2016, following the EU referendum. Link Asset Services have issued an updated interest rate forecast, which reflects the MPC forward guidance, indicating only two further increases to Bank Rate in the next two years, with rates forecast to reach 1.0% by 2020. The timing of any future bank rate rises will continue to be driven by the pace of growth in the UK economy, level of inflationary pressures and average earnings across the economy. PWLB rates fell initially following the Bank of England’s announcement, but the forecast remains for PWLB rates increase slowly over the next two years.
- 3.2 On 10 November, the Department for Communities and Local Government released a consultation on proposed changes to the Statutory Guidance on Local Authority Investments and the Statutory Guidance on the Minimum Revenue Provision. The consultation is a response to local authorities increasingly investing in non-financial yield bearing investments, with proposals introducing this area to the Guidance and setting out parameters and reporting arrangements, as well as proposals providing further guidance on the Minimum Revenue Provision. The deadline for responses to the consultation are required by 22 December. Officers are currently in the process of drafting a response to the consultation.

**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

30 November 2017

**Background Documents:** Report to, and Minutes of, Audit Committee meeting held on 7 September 2017