

**NORTH YORKSHIRE COUNTY COUNCIL****AUDIT COMMITTEE****26 JULY 2018****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.

26 July 2018  
18 October 2018  
20 December 2018

- 1.2 The programme of work is attached as **Appendix A**.

**2.0 Property Funds**

- 2.1 It will be noted that it is intended to carry out a training session on “Treasury Management & Commercial Investments” for the 18 October meeting of the Committee. This will provide the Audit Committee with an opportunity to more fully explore some recent developments and to explore issues of assurance. In the meantime, however, it is felt appropriate to provide a brief update as follows.
- 2.2 Following approval by the Executive in August 2017 the Council’s approach to commercial investment has been reviewed and a Commercial Investment Board established. Consequently, Property Funds, pooled investment vehicles investing in diversified UK commercial property, were added to the schedule of Non Specified Investments as part of the 2018/19 Annual Treasury Management Strategy.
- 2.3 Following consultation and subsequent approval by the Commercial Investment Board, a procurement process to select one or more property fund managers was instigated and the County Council’s treasury management advisors, Link, were commissioned to support the selection process.
- 2.4 The County Council’s approved Investment strategy provides for up to £20m to be invested for a period of up to 5 years in Property Funds, however, this initial process is intended to be explorative with any potential investment limited to £6m. A full EU compliant procurement process could then be considered to extend investment in the future.
- 2.5 A number of financial implications have been considered as part of the

process including Entry Fees (which will be funded from Strategic Capacity Reserve); accounting treatment (still to be confirmed pending a review of guidance by CIPFA); potential return (based on past fund performance a target income return of 4-5% is anticipated); monitoring (performance will be included as part of the quarterly Treasury Management reports to the Executive) and implications for the investment pool (to be managed through a consultation process).

2.6 The selection process was concluded in early July 2018 and 3 Property Funds have been identified for potential investment following a shortlisting and interview process:

- BlackRock UK Property Fund
- Hermes Property Unit Trust
- Threadneedle Property Unit Trust

2.7 It is proposed to add the three funds identified to the County Councils Investment list. However, access to the Hermes Fund is not available in the short term, therefore, it is proposed that an investment of £3m in each of the Blackrock Property Fund and Threadneedle Property Unit Trust be taken forward and the Hermes Fund be added to the investment list pending future opportunities for investment.

### **3.0 Recommendation**

3.1 Audit Committee are requested to approve the Work Programme.

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

GARY FIELDING  
Corporate Director, Strategic Resources  
County Hall  
Northallerton

26 July 2018

## AUDIT COMMITTEE - PROGRAMME OF WORK 2018 / 19

	ANNUAL WORKPLAN	JUNE 18	JULY 18	OCT 18	DEC 18	MAR 19	JUNE 19	JULY 19	OCT 19	DEC 19
	<b>Audit Committee Agenda Items</b>									
<b>A</b>	Training for Members (as necessary)		1	2	3					
	Annual Internal Audit Plan	x				x	x			
	Annual report of Head of Internal Audit									
	Progress Report on Annual Internal Audit Plan			x		x			x	
	Internal Audit report on Children and YP's Service	x					x			
	Internal Audit report on Computer Audit/Corporate Themes/Contracts			x					x	
	Internal Audit report on Health and Adult Services			x					x	
	Internal Audit report on BES				x					x
	Internal Audit report on Central Services					x				
<b>B</b>	Annual Audit Letter			x					x	
	Annual Audit Plan (NYCC & NYPF)					x				
	Annual Report / Letter of the External Auditor		x					x		
	Interim Audit Report	x					x			
	Discussion with External Auditor on 1-to-1 basis					x				
<b>C</b>	Statement of Final Accounts including AGS (NYCC + NYPF)	x	x				x	x		
	Letter of Representation		x					x		
	Chairman's Annual Report			x					x	
	Effectiveness of Audit Committee	x		x			x		x	
	Changes in Accounting Policies					x				
	Corporate Governance – review of Local Code + AGS	x				x	x			
	– progress report inc re AGS	x					x			
	Risk Management (inc Corporate R/R) – progress report	x			x		x			x
	Partnership Governance – progress report	x					x			
	Information Governance – progress report					x				
	Review of Finance,/Contract/Property Procedure Rules	TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA
	Business Continuity			x					x	
	Audit Committee Terms of Reference				x					x
	Counter Fraud					x				
	Contract Management									
	Governance of external companies				x					x
	Treasury Management – Executive February					x				
	Corporate Procurement Strategy (including Contract Mgt)	x		x			x		x	
	Audit Committee Work Programme		x							
	VFM Review					x				
<b>D</b>	Work Programme	x	x	x	x	x	x	x	x	x
	Progress on issues raised by the Committee (inc Treasury Management)	x		x	x	x	x		x	x
<b>E</b>	Agenda planning / briefing meeting									
	Audit Committee Agenda/Reports deadline									
	<b>Audit Committee Meeting Dates</b>	21/06	26/07	18/10						

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

⚙ before formal meeting  
 1 HAS  
 2 Treasury Management and Commercial Investments  
 3 External and Internal Auditors  
 Sessions to be sorted