

# North Yorkshire County Council

## Audit Committee

Minutes of the meeting held on Friday 20 December 2019 at 1.30 pm at County Hall, Northallerton

### **Present:-**

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

County Councillor Cliff Lunn (in the Chair); County Councillors Karl Arthur, Margaret Atkinson, Jim Clark, David Hugill, Don Mackay and Geoff Webber

### **Independent Members of the Committee:-**

Mr Nick Grubb, Mr David Marsh and Mr David Portlock

### **In Attendance:-**

County Councillor Carl Les (Leader of the County Council)

Veritau Officer: Max Thomas (Head of Internal Audit)

County Council Officers:- Gary Fielding (Corporate Director – Strategic Resources), David Bowe (Corporate Director – Business and Environmental Services), Michael Leah (Assistant Director – Strategic Resources), Fiona Sowerby (Head of Insurance and Risk Management), and Melanie Carr and Ruth Gladstone (Democratic Services)

### **Apology for absence:-**

An apology for absence was received from County Councillor Robert Baker.

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

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### **152. Minutes**

#### **Resolved -**

That the Minutes of the meeting held on 25 October 2019, having been printed and circulated, be taken as read and be confirmed and signed by the Chairman as a correct record.

### **153. Declarations of Interest**

No declarations of interest were made at this stage of the meeting. However, a declaration was made during a later discussion and is recorded at Minute 158.

### **154. Public Questions or Statements**

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

#### **155. 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 of progress made on issues which the Committee had raised at previous meetings and Treasury Management matters that had arisen since the Committee's last meeting.

In regard to the ongoing review of how the Committee was working, it was confirmed that the deadline for submitting feedback was 20 December 2019 and that the group would now move forward with reviewing that feedback before reporting back its findings to the Committee.

**Resolved -**

That the report be noted.

#### **156. Progress on 2019/20 Internal Audit Plan**

Considered -

The report of the Head of Internal Audit which advised of progress made in delivering the 2019/20 Internal Audit Plan and developments likely to impact on the Plan throughout the remainder of the financial year.

Officers confirmed there were no variations to the 2019/20 Audit Plan and that the Authority was working hard to comply with GDPR.

In regard to the performance target set for responding to FOI requests, officers outlined the difficulties in meeting the target set for the more challenging FOIs received, as it took longer to gather and appropriately present the requested information, often requiring a greater level of involvement by senior officers.

It was noted that measures were being taken to improve the current compliance level, and that whilst it was possible to refuse a vexatious FOI, it was first necessary to prove its vexatious nature.

**Resolved -**

That the progress made in delivering the 2019/20 Internal Audit programme of work be noted.

#### **157. Business and Environmental Services Directorate - Internal Audit Work and Control Matters**

Considered -

- (a) The report of the Head of Internal Audit which advised of the internal audit work performed during the year ended 30 November 2019 for the Business and Environmental Services Directorate.
- (b) The report of the Corporate Director - Business and Environmental Services which provided an update on progress against areas for improvement identified through internal procedures, together with the latest Risk Register for the Business and Environmental Services (BES) Directorate.

The Head of Internal Audit, the Corporate Director – BES, and the Assistant Director – Strategic Resources responded to Members' questions. During discussion:-

- County Councillor Geoff Webber requested information on the number of whistleblowing cases related to BES, and the Head of Internal Audit agreed to investigate and circulate a response after the meeting.
- In regard to the working relationship between CYC and NYCC for the management of the Allerton Waste Recycling Park (AWRP) contract, officers confirmed that once the working relationships at each level of the organisations were formalised, it would provide opportunities for efficiencies.
- In regard to the Highways Maintenance Contract, Officers confirmed that remedies had been put in place to ensure contract processes were being fully applied.

The Corporate Director - BES provided a detailed overview of the Teckal arrangements and the benefits they would bring to the operational delivery of Highways and Transportation, including the ongoing work to develop good working relationships at every level of the organisation, and the benefits and opportunities it could bring. Members asked for a 30 minute training seminar to be organised for the Committee concerning governance of the Teckal once further developments had been made. This request was discussed at a later part of the meeting and the outcome is recorded at Minute 159.

**Resolved -**

- (a) That it be noted that the Committee, having considered the report of the Head of Internal Audit, is satisfied that the internal control environment operating in the Business and Environmental Services Directorate is both adequate and effective.
- (b) That the reports, including the updated salient points regarding the Business and Environmental Services Directorate and the Directorate's Risk Register, be noted.

**158. Risk Management - Progress Report**

Considered -

The report of the Corporate Director - Strategic Resources which set out the updated Corporate Risk Register and advised of progress on other Risk Management related matters.

The Head of Insurance and Risk Management introduced the report and responded to Members' questions.

The Head of Insurance and Risk Management undertook to refer, to the Health and Adult Services Directorate, a Member's concern about the Care Market and to highlight that the recent Queen's Speech had not included a statement about the Care Market.

Note: During discussion, when mention was made of the Schools Funding Challenges risk, Mr David Portlock declared that he was Chair of Governors at a North Yorkshire school.

Members congratulated the officers on the achievement of an Operational Risk award as part of the ALARM International Risk Awards 2019.

**Resolved -**

- (a) That the updated Corporate Risk Register, as set out at Appendix A to the report, be noted.
- (b) That the position on other Risk Management related issues be noted.

**159. Audit Committee Work Programme**

Considered -

The Committee's Work Programme which identified items of business scheduled to be considered at each of the Committee's forthcoming meetings.

**Resolved -**

- (a) That the Work Programme be noted.
- (b) That, in respect of training sessions held immediately prior to the Committee's meetings:-
  - (i) Governance of the Highways Teckal be scheduled for 26 October 2020.
  - (ii) Pensions Governance be scheduled for 27 March 2020.
  - (iii) A session about Beyond 2020 including Property Rationalisation be organised for the External Members only.
- (c) That informal meeting(s) between Committee Members and the Internal Auditor and the External Auditors be organised for dates to be arranged by the Corporate Director – Strategic Resources.

The meeting concluded at 2.30 pm.

RAG/JR