

# North Yorkshire County Council

## Audit Committee

Minutes of the meeting held on Monday, 12th December, 2022 commencing at 1.30 pm at County Hall, Northallerton.

Committee Members present: County Councillor Cliff Lunn in the Chair; plus County Councillors Alyson Baker, Philip Broadbank, Mark Crane, George Jabbour, Nigel Knapton, Stuart Parsons, Neil Swannick, Malcolm Taylor (as Substitute for Karin Sedgwick) and Matt Walker, and Mr David Marsh and Mr David Portlock

Officers present: Abigail Barron, Vicki Dixon, Gary Fielding, Anton Hodge, Chris Jones-King, Fiona Sowerby, Max Thomas, Richard Webb, Rachel Woodward and Ruth Gladstone

Other Attendees: Nick Rayner (Deloitte)

---

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

---

The Committee observed a minute's silence in memory of former County Councillor Jim Clark who had been a prominent member of this Committee for many years.

#### **35 Minutes of the Committee Meeting held on 28 November 2022**

##### **Resolved –**

That the Minutes of the meeting held on 28 November 2022, having been printed and circulated, be taken as read and be confirmed and signed by the Chairman as a correct record.

#### **36 Declarations of Interest**

There were no declarations of interest.

#### **37 Public Questions or Statements**

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

#### **38 Health and Adult 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 October 2022 for the Health and Adult Services Directorate.
- (b) The report of the Corporate Director – Health and Adult Services which outlined some of the key service risks and governance developments within his Directorate and provided details of the Directorate's Risk Register.

Richard Webb (Corporate Director – Health and Adult Services) addressed the meeting to highlight some of the key governance development and risk issues. He undertook to raise with relevant officers:- whether the protections in place in Selby to protect against the spread of avian flu were to be extended to cover a wider area; Members' concerns that residents who were part-way through a Covid vaccination cycle would be unable to complete the cycle following the closure of the Vaccination Centre in Northallerton; and Members' concerns that properties providing care would be treated as second homes for the purpose of Council Tax.

Anton Hodge (Assistant Director – Strategic Resources) introduced the report at (b) and, together with Abigail Barron (Assistant Director – Service Development), Chris Jones-King (Assistant Director – Care and Support) and Gary Fielding (Corporate Director – Strategic Services), responded to Members' questions. Gary Fielding undertook to raise, with relevant officers, a Member's suggestion that the Fijian population living around Catterick Garrison might be interested in taking up a career in social care. No additional feedback or comments were provided on the Directorate Risk Register.

Max Thomas (Head of Internal Audit) introduced the report at (a) and responded to Members' questions. During discussion, Max Thomas confirmed that there was no particular issue within the Health and Adult Services Directorate that the Audit Committee needed to be concerned about.

#### **Resolved –**

- (a) That the results of internal audit work performed in the period for the Health and Adult Services Directorate, as set out in the report at (a), be noted.
- (b) That the Risk Register for the Health and Adult Services Directorate, as set out in the report at (b), be noted.

### **39 Counter Fraud Policy Framework**

Considered: The report of the Head of Internal Audit which presented a counter fraud policy framework for the new North Yorkshire Council.

Max Thomas (Head of Internal Audit) introduced the report and advised that this Committee should make a recommendation to the Executive for approval. Max Thomas also advised that the allocation of roles within the Anti-Money Laundering and Terrorist Financing Policy was still under discussion by senior officers and therefore might be amended prior to submission to the Executive.

Max Thomas and Gary Fielding (Corporate Director – Strategic Resources) responded to Members' questions. During questions, Max Thomas undertook to amend, as appropriate, the references to "Raising Concerns at Work Policy" and "Resolving Issues at Work Policy" because they should be identical.

#### **Resolved –**

That the Counter Fraud and Corruption Policy, the Whistleblowing Policy, and the Anti-Money Laundering and Terrorist Financing Policy, be recommended to the Executive for approval, prior to Vesting Day, under the Executive's transitional powers.

### **40 Risk Management - Progress Report**

Considered: The report of the Corporate Director – Strategic Resources which advised of the updated Corporate Risk Register, the links between Directorate Risk Registers and the

Corporate Risk Register, and progress on other Risk Management related matters.

Fiona Sowerby (Head of Insurance and Risk Management) introduced the report and, together with Gary Fielding (Corporate Director – Strategic Resources), responded to Members' questions. During discussion:-

- Fiona Sowerby undertook to include a Fallback Plan in risk 20/258 Recruitment and Retention.
- County Councillor George Jabbour suggested that the Council consider adding a warning to flag external emails that staff receive, in a similar way to how other organisations do to combat phishing. Gary Fielding undertook to arrange for this to be considered.

**Resolved –**

- (a) That the updated Corporate Risk Register, as set out at Appendix A to the report, and the links between Directorate Risk Registers and the Corporate Risk Register, as set out at Appendix B to the report, be noted.
- (b) That the situation regarding other Risk Management related matters be noted.

**41 Internal Audit Report on Information Technology, Corporate Themes and Contracts**

Considered: The report of the Head of Internal Audit which advised of the internal audit work completed during the year to 30 November 2022 in respect of information technology, corporate themes, and contracts and procurement.

Max Thomas (Head of Internal Audit) introduced the report and responded to Members' questions.

**Resolved –**

That the results of internal audit work performed in the period in respect of the Council's information technology, corporate and contract arrangements be noted.

**42 Procurement and Contract Management Update**

Considered –

The report of the Corporate Director – Strategic Resources which provided an update on the work of the Procurement and Contract Management Service, including key achievements, recent activity and the continuing response to supply chain resilience.

Rachel Woodward (Head of Procurement and Contract Management) introduced the report and, together with Gary Fielding (Corporate Director – Strategic Resources), responded to Members' questions. During discussion, Members commended the work being undertaken to provide more support and guidance to SMEs and VCSEs in North Yorkshire to secure contracts with the public sector. No additional comments were provided to add further value to the ongoing work on procurement and contract management.

**Resolved –**

That progress on key achievements and recent activity be noted.

#### **43 Commercial Governance Review**

Considered: The report of the Corporate Director – Strategic Resources which summarised best practice set out in CIPFA’s updated publication “Local Authority Owned Companies – A good practice guide 2022 edition”, and advised of the intention to review existing arrangements during forthcoming months, in line with LGR, and to report back to the Committee after LGR to detail the outcome and actions from the review.

Vicki Dixon (Assistant Director – Strategic Resources) introduced the report and, together with Gary Fielding (Corporate Director – Strategic Resources) responded to Members’ questions. During discussion:-

- Officers advised of the action which Council Members and officers, who were Directors, were required to be take to declare interests and avoid conflicts of interests.
- Officers undertook to circulate a list of all North Yorkshire Council owned companies, once such a list was available, to Committee Members.

#### **Resolved –**

- (a) That the report be noted.
- (b) That a further report be submitted to a future meeting of this Committee post LGR.

#### **44 Programme of Work 2022/23**

Considered: The Committee’s programme of work which identified items of business scheduled for consideration at each of the Committee’s forthcoming meetings.

#### **Resolved –**

That the Committee’s Programme of Work be approved, subject to revised arrangements being made for submission of CIPFA’s Financial Management Code to a future meeting of the Committee.

#### **45 Urgent business - Final SOFA 2021/22**

Note: The Chairman agreed that this matter should be considered as an additional item due to special urgent circumstances. The special urgent circumstances were the need for the Committee to hear, from Deloitte, about any impact which a recently publish Statutory Instrument was having on their audit work regarding the County Council’s Final SOFA for 2021/22.

Considered: County Councillor George Jabbour asked Nick Rayner (Deloitte) to provide an update on the external audit of the County Council’s Final SOFA for 2021/22. Nick Rayner reported the following:- Deloitte now had all the information they required to complete the 2021/22 external audit of the North Yorkshire Pension Fund; the Statutory Instrument regarding infrastructure assets had been published on 30 November 2022 and CIPFA had issued accompanying guidance; and all actions to complete the 2021/22 external audit of the County Council were proceeding to plan based on Deloitte’s view of the Statutory Instrument.

**Resolved –**

That the situation be noted.

The meeting concluded at 4.15 pm.