

# NORTH YORKSHIRE COUNTY COUNCIL

## AUDIT COMMITTEE

18 March 2024

### 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? |
|----------|--|--|---|-----------|
| 11.12.23 | 91 – Procurement and Contract Management update                    | That the Committee receive a further update following the review and refresh of the Strategy by April 2024   | The refreshed strategy is scheduled for completion and review by the internal Procurement Board later in March so will be rescheduled for Audit Committee in June 2024. | x         |
| 11.12.23 | 91 – Procurement and Contract Management update                    | That Members comments on the report, as outlined at the meeting, be received to further add value to the ongoing work on procurement and contract management, especially in relation to delivering the procurement and contract management strategy. | Comments will be incorporated into the refreshed strategy as appropriate.   | x         |
| 11.12.23 | 102 – Audit Committee Terms of Reference / Review of Effectiveness | That the Committee felt it would be beneficial to undertake and complete a self-assessment exercise of the Committee's effectiveness in the  | Not yet started   | x         |

| Date | Minute number and subject | Audit Committee Resolution   | Comment | Complete? |
|------|---------------------------|--|---------|-----------|
|      |                           | 2024/25 Municipal Year, circa during period Jan – March 2025. It was also felt that any review should be facilitated by officers |         |           |

### 3.0 TREASURY MANAGEMENT

- 3.1 The Bank of England maintained interest rates again in February at 5.25% voting 6-3 in favour of keeping the current rate. The Council’s Treasury Advisors, Link forecast that there will be no further increases in bank rate and that rates will start to gradually fall from September 2024, falling to 3.00% by December 2025.
- 3.2 In December 2023 the DLUHC issued the Consultation on changes to statutory guidance and regulations: Minimum Revenue Provision (MRP). The changes proposed have been introduced to address concerns around compliance with the duty to make a prudent revenue provision, effectively underpaying MRP. The proposal makes it explicit that authorities are required to determine a prudent amount of MRP with respect to all capital expenditure financed by debt. The aim is to stop the intentional exclusion of debt from the MRP determination where it relates to an investment asset or capital loans for non-service related expenditure. The consultation closed on 16th February 2024. Once the recommendations from the consultation are announced the full implications will be considered, however an indicative review suggests a potential additional MRP charge for the Council of £0.1m per annum.

### 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

18 March 2024

**Background Documents:** Report to, and Minutes of, Audit Committee meetings held on 23 October 2023