

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

1 March 2018

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?
30.11.17	35 – Health and Adult Services Directorate – Internal Control Measures	That the Risk Register for HAS Directorate be amended to include a fall-back plan for financial risk.	No update at this stage	x
	38 – Progress on issues raised by the Committee	That the most recent quarterly report to the Executive, regarding Treasury Management, be emailed to Members of the Committee	This has now been circulated.	✓
	41 – Audit Committee Terms of Reference / Review of Effectiveness	That a review of the Committee's effectiveness be undertaken after November 2018 and in the meantime, the Chairman take informal soundings from individual Members on a 1 to 1 basis and the CD Strategic Resources speak with relevant officers on a 1 to 1 basis to seek any comments	No action required at this stage	x

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
		they may have regarding the effectiveness of the Committee		
	43 – Audit Committee – Programme of Work	A joint session be held immediately prior to the Committee’s meeting in March 2018 when both External and Internal Audit shall brief Committee Members on an informal basis.	This will take place before the meeting on 1 March	✓
		The briefing to be held immediately prior to the Committee’s meeting in June 2018 be for the purpose of updating on the overall budget position.	This has been included in the Work Programme	✓
		2015/16 be amended to 2017/18 so that the relevant entry on the Programme reads “Annual Audit Plan 2017/18 (NYCC & NYPS)”	This has now been amended on the Work Programme	✓

3.0 TREASURY MANAGEMENT

- 3.1 Link Asset Services have updated their interest rate forecasts on 13 February (last updated November 2017) to take into account the Bank of England quarterly Inflation Report for February 2018, the decision of the MPC meeting of 8 February. Link have now added an additional bank rate rise in May 2018 in addition to those already forecasted for November 2018, November 2019 and August 2020. With rates forecast to rise to 1.50% by August 2020.
- 3.2 Following the consultation period in November 2017, the Ministry for Housing, Communities and Local Government has now issued updated statutory guidance on Local Authority Investments and Minimum Revenue Provision. This follows the Revised Prudential Code and Treasury Management Code issued by CIPFA. It is clear that the intent, similar to the revised CIPFA Codes, is to address risks surrounding non-treasury related investments. It sets out a framework primarily for risk management, with the main change being the wider scope of the definition of investment and the apparent control of borrowing for these activities.
- 3.3 Where required, changes have been incorporated into the 2018/19 Treasury Management Strategy, where the most notable change is the inclusion of the Capital Strategy. This sets out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

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

1 March 2018

Background Documents: Report to, and Minutes of, Audit Committee meeting held on 30 November 2017