



Veritau North Yorkshire Limited

Minutes of the Meeting of the Board of Directors By Video Conference 11.00 am - 29 July 2022

Attendees

Anton Hodge (AH) - chair
Karen Iveson (KI) – from item 6
Sian Moore (SM)
Richard Smith (RS)
Max Thomas (MT)

- 1 Apologies, preliminaries, introductions, and announcements
 - Apologies received from Nick Edwards
 - Noel ONeill has resigned as a director; we are awaiting nomination of a new director by Hambleton DC.

- 2 Declarations of interests
None

- 3 Minutes of the meeting held on 10 February 2022
Agreed

- 4 Update on outstanding actions
None

- 5 2021/22 letter of representation
The letter contains the standard information that the auditors ask the board to include. It was noted that the letter includes reference to a change in accounting practice this year.

The letter was approved for signing

Karen Iveson joined the meeting after item 5

- 6 2021/22 BHP LLP audit findings report / data analytics report
MT introduced the report and drew the board's attention to the internal control observations on page 15 of the agenda pack. The auditors have recommended that monthly payrolls are approved in advance of payment. MT explained that the payroll is relatively fixed and there are no significant changes from month to month – therefore the risk of erroneous payments is low. Post payment checks are carried out periodically, including an annual check at year end. These checks are felt to be sufficient given the low risk. There is also a recommendation about the need to update the wording of service agreements to better reflect

arrangements in practice. The board agreed that there was little benefit in making this change at this point, given contracts will end on 31 March 2023 as a result of LGR.

The profit reconciliation was introduced. This sets out adjustments identified since the audit started and changes needed for the financial accounts such as pension fund adjustments and corporation tax. The board approved the profit reconciliation for signing.

Appendix 2 sets out two minor misstatements identified during the audit. These are not significant and are included for transparency.

The board noted the work needing to be finalised before the audit could be completed (appendix 4).

The board noted the report.

MT introduced the auditor's data analytics report. This provides high level assurance, over and above normal audit tests performed. No issues were identified. The report was accepted.

7 2021/22 statement of accounts

MT introduced the accounts. The profit and loss account is set out on page 44 of the agenda pack. This includes additional transactions to the management accounts (mainly pension fund adjustments). The figures in the profit and loss account and the balance sheet have been checked and appear reasonable.

The board discussed the change in accounting treatment due to changes in the approach to internal audit and flexible audit plans. Essentially the service provides a continuous programme of work and the previous basis of calculating a nominal work in progress figure at year end was becoming difficult to justify. The auditors have continued to challenge this and therefore the accounting practice has been updated from 2021/22.

The board approved the accounts.

8 2021/22 annual report

MT introduced the report. Overall group profit was a little over £200k, although this includes a one-off accounting adjustment. The group has exceeded its budgeted profit excluding this adjustment. Fee income increased by approximately 9%. We have continued to grow the client base. MT summarised the remainder of the report including employee data, client satisfaction and service developments and growth.

SM queried the drop in fee income for counter fraud. It was confirmed that this was due to a reduction in service level at City of York Council.

SM asked whether staff retention was still an issue. MT noted that employee turnover was approximately 10% last year – higher than previous levels; it currently remains at around the same rate. This is challenging – we tend to lose more experienced staff, who are difficult to replace.

AH noted that counter fraud support at Ryedale District Council has been excellent and thanked the team. Work included support with Covid-19 grants and a notable prosecution.

The board noted the report.

9 Staff survey

The overall results are broadly in line with previous years although there has been a slight increase in satisfaction from last year (up from 80% to 83 %).

AH asked whether there were concerns about LGR amongst employees. MT said he believes there were some initial worries, but fears appear to have been allayed. We have briefed the team, continued to share information, and encouraged everyone to listen in to webinars organised by North Yorkshire County Council.

KI stated that there will be a significant amount of work to do to prepare for LGR and would welcome continued internal audit input as part of the LGR workstreams. She encouraged a proactive approach to audit involvement. The board noted a number of areas where internal audit has already been involved.

The board noted the survey.

10 Client satisfaction survey

There are two main surveys – one to principal clients (to senior managers and leaders) and the second to clients who receive the DPO service (mainly schools). Response rates were low (similarly to previous years) but those received tended to be positive (good or excellent). Overall satisfaction was 94% for the survey to principal clients and 97% for DPO clients – both figures are slightly up on last year. While response rates are low, client retention rates and the numbers of new clients we get through recommendations are high, indicating a general satisfaction with services.

AH suggested we should assess employees' views of clients and any impact on them from a welfare perspective. MT noted that while we don't do this formally, we tend to hear where issues arise.

The board noted the survey responses.

11 2022/23 finance and performance update report

No significant financial variances have been identified in the year to date. There have been a large number of employee changes, including leavers and internal promotions. An interim pay award of 3% has been agreed with Unison. This has already been applied. However, it was agreed that we would revisit this once NJC agreement is reached. Veritau has been consulting on a new PRP scheme. Agreement on this has now been reached and it will be implemented from 2023/24.

SM queried whether we had seen the NJC employers pay offer. It was confirmed that this had been seen and presented some issues. We are currently considering the approach to be taken.

AH recognised the ongoing success Veritau has had in gaining new work.

The board noted the report.

12 LGR action plan

MT presented the report, which was requested at the last board meeting. This sets out the actions to be taken within VNY as a result of LGR.

SM asked whether there had been any feedback from other clients who had concerns about the impact of LGR. It was confirmed that no issues have been raised to date.

Following discussion, the board noted the report.

13 Any other urgent business

None

Date of Next Meeting TBC