

## City of York Council Shareholder Committee

15 June 2022

### Veritau Limited Business Update

#### Introduction

- 1 Veritau Limited is a local authority shared service company jointly owned by the City of York Council (CYC) and North Yorkshire County Council (NYCC). The company was established in 2009. The company has two subsidiary companies, Veritau North Yorkshire Limited and Veritau Tees Valley Limited, which are part owned by other councils. Together the companies form the Veritau Group.
- 2 The wider Veritau Group has 9 member councils but also provides services to a large number of multi-academy trusts and schools, housing associations and other public sector organisations. The group employs over 70 professional staff and offers a range of assurance services, including internal audit, counter fraud, risk management, and information governance. The majority of these services are delivered to organisations in the Yorkshire and Teesside regions although the group has clients across the United Kingdom.
- 3 Veritau delivers shareholder value to its member councils through:
  - economies of scale resulting in lower unit costs
  - increased efficiencies and flexibility – standard working practices ensure there is less duplication of effort and best practice is more easily shared
  - improved access to specialist resources (for example data analytics, risk management and counter fraud specialists) that would otherwise not be available to a small in-house team
  - increased resilience and the ability to accommodate changes in workload because of the larger pool of staff available
  - improved service continuity and less reliance on key members of staff for service delivery
  - the ability to invest in new technologies and working practices

## Finance and Performance Update

- 4 Since the last meeting of the Shareholder Committee on 28 March 2022, the Group has continued to gain contracts to provide internal audit and data protection services to schools and other public sector organisations.
- 5 During the period 3 trainee internal auditors have also completed their professional qualifications and progressed to become internal auditors.

### Client Satisfaction Surveys

- 6 We issued our annual client satisfaction surveys in March. The first was sent to senior managers at all our clients and the second to schools who receive our DPO service. The response rates for each survey were 11.5% and 9.6% respectively.
- 7 The headline results from the first survey were as follows:
- 8 2022 survey – overall rating for the service:

<b>Overall rating for the service</b>	<b>Excellent</b>	<b>Good</b>	<b>Satisfactory</b>	<b>Poor</b>
Internal audit	9	9	1	0
Fraud	3	5	0	0
IG	2	7	0	1
<b>Total</b>	14	21	1	1
<b>%</b>	38%	56%	3%	3%

The corresponding results in 2021 were:

<b>Overall rating for the service</b>	<b>Excellent</b>	<b>Good</b>	<b>Satisfactory</b>	<b>Poor</b>
Internal audit	11	6	0	2

Fraud	7	5	1	0
IG	6	5	0	0
<b>Total</b>	24	16	1	2
<b>%</b>	56%	37%	2%	5%

- 9 The headline results for the schools DPO survey were:

<b>Overall rating</b>	<b>Excellent</b>	<b>Good</b>	<b>Satisfactory</b>	<b>Poor</b>
<b>Total</b>	40	16	2	0
<b>%</b>	69%	28%	3%	0

The corresponding results in 2021 were:

<b>Overall rating</b>	<b>Excellent</b>	<b>Good</b>	<b>Satisfactory</b>	<b>Poor</b>
<b>Total</b>	44	15	4	0
<b>%</b>	70%	24%	6%	0

- 10 Client retention also remained strong with 99% of clients indicating that they would continue to purchase services in 2022/23.

#### Staff Satisfaction Survey

- 11 We also received the results of our annual staff survey. The response rate was 68%. The headline results from the survey were:

<b>Very satisfied</b>	<b>Satisfied</b>	<b>Neither satisfied nor dissatisfied</b>	<b>Dissatisfied</b>	<b>Very dissatisfied</b>
16	29	9	0	0
29%	54%	17%	0%	0%

The corresponding results in 2021 were:

<b>Very satisfied</b>	<b>Satisfied</b>	<b>Neither satisfied nor dissatisfied</b>	<b>Dissatisfied</b>	<b>Very dissatisfied</b>
16	25	8	2	0
31%	49%	16%	4%	0%

### 2021/22 Financial Statements

- 12 The 2021/22 accounts are currently being audited. The provisional operating results for the Group (excluding accounting and pension adjustments and before tax) are:

	<b>2021/22 (budget)</b>	<b>2021/22 (actual)</b>	<b>2020/21 (actual)</b>
	<b>£ (k)</b>	<b>£ (k)</b>	<b>£ (k)</b>
Turnover	2,723	2,858	2,601
Cost of sales	(2,441)	(2,501)	(2,408)
Gross profit	282	357	193
Other income	2	5	2
Overheads	(217)	(236)	(212)
Net profit/(loss) before tax	67	126	(17)

Further accounting adjustments are possible as a result of the audit. The final results will therefore be reported to the next shareholder committee meeting.

### Other service developments

- 13 The new case management system in the Counter Fraud team has gone 'live'. The internal audit management system has also been upgraded.

### Procurement

- 14 The majority of the Group's expenditure is employee related, and support services (for example, IT, legal, HR and payroll) are mostly provided by our member councils. Procurement activity is therefore limited. Any goods and services which are bought-in are procured in accordance with the Group's contract procedure rules.

### Sustainability

- 15 The Group's business objectives have been updated for 2022/23 to include a specific commitment to ensure the business is delivered in an environmentally sustainable manner. This commitment is underpinned by our environment and sustainability policy.
- 16 As previously reported, the Group has recently moved to a hybrid working model as a way to reduce travel and hence our carbon footprint. Sustainability is also a factor in any procurement activities.

### **Recommendations**

- 17 That the shareholder committee notes the Group's performance since the last business update report.

### **Further Information**

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