

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

28 June 2012

PROGRESS ON ISSUES RAISED BY THE COMMITTEE

Joint Report of the Corporate Director – Finance and Central Services 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 when it requested further information to be submitted to future meetings. Accordingly, the current list of outstanding items is set out below:-

Date	Minute number and subject	Audit Committee Resolution	Comment
30/06/2011	151 – Annual Governance Statement and Local Code of Corporate Governance	(c) That the Standards Committee be requested to let this Committee have sight of the new Standards of Conduct expected of County Councillors at such time as such standards are adopted.	This will be implemented once the new Code becomes available.
29/09/2011	163 – Internal Audit Work on Computer Audit	(b) That a report be submitted to each future meeting of the Committee to advise of progress in rationalising the management of ICT systems and of migrating only those systems supported by Corporate ICT to Microsoft.	See paragraph 4 of this report – now regarded as an ongoing matter.
29/09/2011	165 – Review of the Effectiveness of Internal Audit	(b) That the outcome of the review of the 2011/12 review of the effectiveness of Internal Audit be reported to the June 2012 meeting of the Audit Committee.	See Item 4 on this Agenda.

Date	Minute number and subject	Audit Committee Resolution	Comment
08/12/2011	174 – Progress on Issues Raised by the Committee	(b) That the Audit Committee's request for the Standards Committee to report once per year to the Audit Committee concerning the action the Standards Committee takes in reviewing Members' attendance records be retained within the "Progress on Issues Raised by the Committee" reports submitted to future meetings of the Audit Committee until such time as the Standards Committee determines this request.	This request has not yet been resolved. The County Council, on 18 July 2012, is due to make a decision on the new local standards regime subsequent to the Localism Act 2011. Thereafter the Audit Committee's request can be given further consideration. (The Standards Committee, on 28 November 2011, resolved "That consideration of this issue be deferred until the remit of the newly formed Standards Committee has been established".)
08/12/2011	177 – Governance of Partnerships	(b) That the CIPFA publication 'Partnerships from the Audit Committee perspective' be noted and that the questions on page 5 of that document be considered by officers in undertaking the 2012 annual review of the governance of partnerships involving the County Council.	Officers will reflect this suggestion in their next report on Partnerships which is scheduled in the Work Programme for the 27 September 2012 meeting .
08/12/2011	180 – Service Continuity Planning	(b) That a further report be submitted to the Committee once Management Board has considered the feedback from the pilot process.	Scheduled in the Work Programme for 27 September 2012 meeting .
08/03/2012	197 – Progress on 2011/12 Internal Audit Plan	(c) That Assurance Mapping be undertaken in respect of the One Council Programme and that the offer from Deloitte LLP to work alongside that exercise be accepted.	A report will be submitted to the 6 December 2012 meeting .

Date	Minute number and subject	Audit Committee Resolution	Comment
08/03/2012	197 – Progress on 2011/12 Internal Audit Plan	(d) That the Corporate Director – Finance and Central Services report to a future meeting concerning the County Council’s position with regard to the risk areas, with the exception of transformation programmes, listed on pages 8-10 of the CIPFA Better Governance Forum briefing paper.	This then will be included within the progress report on Risk Management matters scheduled for the 27 September 2012 meeting .
08/03/2012	197 – Progress on 2011/12 Internal Audit Plan	(e) That the Corporate Director – Finance and Central Services organise a process to obtain views from Audit Committee Members concerning the Internal Audit Service.	Incorporated within Item 4 on this Agenda .
08/03/2012	198 – Programme of Work	That the Programme of Work for 2012/13 be approved, subject to the inclusion of the following:- (a) Treasury Management Policies to be scheduled for a future meeting, such meeting to be identified by the Corporate Director – Finance and Central Services; and	Report on Treasury Management Practices scheduled for the 27 September 2012 meeting .
08/03/2012	198 – Programme of Work	That the Programme of Work for 2012/13 be approved, subject to the inclusion of the following:- (b) the External Audit Fee Letter being scheduled for the September 2012 meeting.	Scheduled in the Work Programme for 27 September 2012 meeting .
19/04/2012	201 – Progress on Issues Raised by the Committee	(c) That the Head of Internal Audit consider the suggestion of organising joint training events in conjunction with Members serving on District Councils’ audit committees.	Still under consideration by the Head of Internal Audit.

Date	Minute number and subject	Audit Committee Resolution	Comment
19/04/2012	204 – Henry Cronin’s Membership of the Committee	(a) That it be recommended to the County Council:- (i) That Mr Henry Cronin be re-appointed as a non-voting External Member of the Audit Committee, to serve for the remaining life of the County Council plus up to a further 12 months. (ii) That the existing provision (approved by the County Council on 16 December 2009), that one of the three seats for External Members on the Audit Committee should be for a Member of the Standards Committee, preferably the Chairman, but not a County Councillor, be removed.	The Committee’s recommendation was approved by the full County Council on 16 May 2012
19/04/2012	204 – Henry Cronin’s Membership of the Committee	(b) That, once the County Council has decided whether it will establish a voluntary Standards Committee and membership of any such Committee, a report be submitted to a future meeting of this Committee concerning options for having any non-County Council Members of the voluntary Standards Committee on the Audit Committee.	This will be implemented once the full County Council has decided whether it will establish a voluntary Standards Committee and membership of any such Committee.
19/04/2012	205 – Risk Management – Progress Report	(a) That it be a recommendation to the Executive – That the updated Corporate Risk Management Policy, as set out at Appendix A to the report, be recommended for approval by the County Council.	The Executive, on 22 May 2012 , resolved as follows:- “That it be a recommendation to the County Council that the revised Corporate Risk Management Policy , as set out at Appendix 1, be approved ”.

Date	Minute number and subject	Audit Committee Resolution	Comment
			The Executive's recommendation will be submitted to the full County Council on 18 July 2012 for approval.
19/04/2012	205 – Risk Management – Progress Report	(e) That the Corporate Director – Finance and Central Services arrange for the appropriate officer to contact County Councillor Margaret-Ann de Courcey-Bayley regarding access to a copy of the Asbestos Register for a school at which she is a Governor.	Information provided to Councillor.
19/04/2012	206 – Information Governance – Progress Report	(c) That the Committee's congratulations be extended to relevant staff in recognition of the County Records Office being approved as a four-star record office by the National Archives, thereby placing it in the top 6, nationally, for the provision of archival services.	Congratulations passed on to County Records Office.
19/04/2012	207 – Internal Audit Work and Related Internal Control Matters for the Children and Young People's Service Directorate	(b) That the Corporate Director – Children and Young People's Service consider whether an entry should be included in the Risk Register about the potential risk arising from the introduction of large-scale enforcement of Academy status.	The Statement of Assurance for CYPS now makes reference to this issue.
19/04/2012	208 – Programme of Work	That the Programme of Work for 2012/13, as set out at Appendix A to the report, be approved, subject to amendments to include reference to the additional meeting of the Committee being held during May and any further information provided by Deloitte LLP concerning their reporting dates.	Programme of Work amended. There are now 6 meetings per year reflected in the Programme - see Item 12 on this Agenda.

Date	Minute number and subject	Audit Committee Resolution	Comment
24/05/2012	212 – Corporate Governance	(a) That the draft Annual Governance Statement 2011/12 be circulated to all Members of the Committee as soon as it becomes available and that Members be requested to submit their comments concerning the draft Statement by email to the Corporate Director – Finance and Central Services.	Draft Annual Governance Statement circulated. Comments received from Members reflected as appropriate in the Draft AGS - included as part of Item 10 on this Agenda.
24/05/2012	212 – Corporate Governance	(b) That the Corporate Governance Officer Group identify the appropriate review cycle and that, on future Checklists, the “Next Review Date” column be replaced with a “Last Review Date” column.	CGOG will implement the proposal with immediate effect.
24/05/2012	212 – Corporate Governance	(c) That the question about whether there is evidence to demonstrate the effectiveness of the use of on-line platforms to deliver training be addressed during the half hour Seminar for Audit Committee Members, to be held on 28 June 2012, concerning the One Council Programme and its impact on governance.	To be covered in Training Seminar on One Council before this meeting.
24/05/2012	212 – Corporate Governance	(d) That the Corporate Director – Finance and Central Services clarify, and report to the next meeting, the work scheduled to be undertaken by December 2012 in relation to “Member Register of Interests being compiled” as mentioned on page 19 of the Checklist.	Work in progress. Verbal update will be provided at the meeting.

Date	Minute number and subject	Audit Committee Resolution	Comment
24/05/2012	212 – Corporate Governance	(e) That a topic for a future Seminar for Audit Committee Members be the effectiveness of Area Committees for Community Engagement purposes.	Arranged as Training Seminar at the September 27 2012 meeting
24/05/2012	213 – Programme of Work	That the revised Programme of Work for 2012/13, as set out at Appendix A to the report, be approved, subject to the inclusion of the following:- ... An additional meeting of the Committee being programmed in May each year to give detailed consideration to Corporate Governance issues.	See Minute 208 above.

3.0 TREASURY MANAGEMENT

- 3.1 The Committee has taken an active role in monitoring the Treasury Management (TM) activity of the County Council, and the County Council has approved an amendment to the Terms of Reference of the Committee that acknowledges that role.
- 3.2 Given the current Code of Practice for Treasury Management, the Audit Committee needs to maintain this active interest particularly in relation to any significant changes in Treasury Management activity that necessitates changes in the County Council's lending or borrowing strategies. However these changes do not necessarily occur on a predictable or regular basis.
- 3.3 Members have therefore agreed that, rather than produce an agenda report which states that "nothing has changed", such an update can be provided via this report. Clearly however if significant changes have taken place they will be reported to the Committee in the normal way via a separate report on the Agenda.
- 3.4 Since the Committee's last ordinary meeting held on 19 April 2012, the Executive has considered, on 15 June 2012, the Outturn report for 2011/12. The section of the report relating to Treasury Management has been circulated to Members prior to this Agenda. Any queries can be raised with officers at the meeting.
- 3.5 There are no further matters of significance to report regarding Treasury Management since the drafting of the Outturn report.

4.0 RATIONALISATION OF SYSTEMS AND DATA

- 4.1 Further to Minute 163 Members have requested an update on progress in this area as part of this report rather than create a specific Agenda item.

4.2 There are 2 activities in progress that have an impact on this issue –

- (a) the transition from Novell to Microsoft
- (b) the Systems and Data One Council workstream

4.3 Work on the 2 activities is ‘co-joined’ by officers to ensure that the impact is maximised. The latest position is as follows

	March meeting	Latest position
Starting position → packaged applications and associated drivers (eg for digital cameras)	1410	1496
- drivers (being rationalised as separate exercise) and first “cull” of redundant / obsolete applications	- 502	- 502
= packaged applications	908	994
- applications removed following review by ICT Client Officers	- 281	- 546
- applications packaged for transition to Microsoft platform (but will be reviewed again under One Council Workstream)	- 327 *	- 343 *
= applications still to be packaged for Microsoft (and are currently being reviewed by Systems and Data Workstream)	300 *	105 *

4.4 The 2 “batches” of applications that have been / will be packaged for transition to Microsoft (see * above) represent a pragmatic response to the timeline of the Microsoft project. It has deadlines that have to be met and therefore the transition process must go ahead for these applications even though, under the One Council Workstream review process, they may be subsequently determined to be redundant.

5.0 RECOMMENDATION

5.1 That the Committee considers whether any further follow-up action is required on any of the matters referred to in this report.

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CAROLE DUNN
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County Hall
NORTHALLERTON

20 June 2012

Background Documents:

Report to, and Minutes of, Audit Committee meetings held on 19 April and 24 May 2012