

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

27 September 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.	The new Members' Code of Conduct was adopted at a meeting of the County Council held on 18 July 2012, having previously been considered at length in various meetings. A copy of the new Code was emailed to the three External Members of this Committee, for information, in August 2012.

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.	The County Council, on 18 July 2012, adopted a new local standards regime subsequent to the Localism Act 2011. The Audit Committee's request will be considered at the Standards Committee's meeting to be held next month. The Audit Committee will be advised of the outcome in due course.
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.
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.	The arrangements for the voluntary Standards Committee have now been agreed by full Council. There are no co-opted independent members on the voluntary Standards Committee. The Independent Person appointed under the Localism Act is not a Member of the Standards Committee. Consequently there are no options available to have non-County Council Members of the Standards Committee on the Audit Committee.

Date	Minute number and subject	Audit Committee Resolution	Comment
			Effectively the current position for this Committee is now as follows - each of the current External Members on this Committee has been appointed to serve on this Committee in his own right and not as a representative of the Standards Committee. All have been appointed to serve for the remaining life of the County Council plus up to a further 12 months (ie until 2 May 2014). This provides time, after next May's election, for the Audit Committee to consider how many seats there should be, after 2 May 2014, on this Committee for External Members and for the necessary recruitment, selection to be undertaken and appointments to be made.
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.	To be arranged.
28/06/2012	221 – Governance Arrangements of the North Yorkshire Pension Fund	(b) That any changes to regulations relating to the governance arrangements of the North Yorkshire Pension Fund be reported to the Audit Committee.	There are no changes to be reported at this stage. Suggest therefore that item be treated as “closed” until such time as the governance requirements for the Pension Fund are changed. The matter will then be addressed by the Pension Fund

Date	Minute number and subject	Audit Committee Resolution	Comment
			Committee as necessary and reported to this Committee via the Governance report submitted to the June meeting.
28/06/2012	223 – Annual Governance Statement and Local Code of Corporate Governance	(a) THAT IT BE A RECOMMENDATION TO THE EXECUTIVE – That the updated Local Code of Corporate Governance, as set out at Appendix A to the report, be recommended for approval by the County Council.	This recommendation was approved by the Executive on 4 September 2012 and the matter is now scheduled for determination at the meeting of the County Council on 10 October 2012.
28/06/2012	224 – Statement of Final Accounts 2011/12 – North Yorkshire County Council	(b) That explanations be provided, at the Committee’s meeting on 27 September 2012, about Intangible Assets (page 68 of the draft Statement of Accounts) and, in particular, how the period of expected life is assessed and how such assets are valued.	See Section 3 of the separate report on this Agenda regarding the Statement of Final Accounts.

3.0 TREASURY MANAGEMENT

- 3.1 Under its Terms of Reference, the Committee takes an active role in monitoring the Treasury Management (TM) activity of the County Council.
- 3.2 Under the current Code of Practice for Treasury Management, the Audit Committee needs to maintain an 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 submit an agenda report which states that “nothing has changed”, such an update can be provided via this report. Clearly 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 meeting held on 28 June 2012, the Executive has considered the Q1 report on Treasury Management performance and a separate report to update the

Prudential Indicators – both of these reports have been circulated to Members prior to this meeting.

3.5 Despite the current troubled financial market conditions, there are no significant changes in the Treasury Management strategy to report.

4.0 RATIONALISATION OF SYSTEMS AND DATA

4.1 The Committee, on 29 September 2011, resolved “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”. An update on progress is provided 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

		June meeting		Latest position
Starting position	→ packaged applications and associated drivers (eg for digital cameras)	1496		1549
	- drivers (rationalised as separate exercise) and first “cull” of redundant / obsolete applications	- 502	-	502
	= packaged applications	994		1047
	- applications removed following review by ICT Client Officers	- 546	-	601
	- applications packaged for transition to Microsoft platform	- 343 *	-	354 *
	- packaging in progress	N/A	-	42 *
	- applications required but known not to be Windows 7 compatible	N/A	-	10 0
	= applications still to be packaged for Microsoft (and are currently being reviewed by Systems and Data Workstream)	105 *		40 *

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.

- 4.5 The “applications required but known not to be Windows 7 compatible” (see 4 above) will require a bespoke solution for the short / medium term (eg outsource the running of the application).

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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NORTHALLERTON

19 September 2012

Background Documents:

Report to, and Minutes of, Audit Committee meeting held on 28 June 2012