

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

26 September 2013

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?
07/03/2013	258 – Treasury Management Training	That the Corporate Director, Strategic Resources make arrangements for Sector to provide training for Audit Committee Members after County Council elections concerning Treasury Management	It was asked that the timing of this training on the 30 September be changed to avoid a clash with the North Yorkshire Fire and Rescue Authority's Audit and Performance Review Committee. This has now been changed and Members of the NY Fire & Rescue Authority's Audit and Performance Review Committee have also been invited to attend.	✓
07/03/2013	267- Service Continuity progress	That an update of the audit by Veritua of the Service Continuity Plan scheduled for May 2013 be submitted to a future meeting of this Committee	It is suggested that Service Continuity Planning is picked up as part of the Corporate Themes Audit in December	X

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
			2013.	
18/04/2013	271 – Assurance Maps for the One Council workstreams	No formal resolution but the Audit and Information Assurance Manager advised that a first draft of the Assurance Maps for the One Council Workstreams had been produced and that the draft was scheduled to be finalised following consultation with relevant County Council officers and the External Auditor, by 31 May 2013	Information to be incorporated into “Internal Audit on Corporate Themes” scheduled for 5 December 2013	X
18/04/2013	275 –Value for Money Audits	That a report be submitted to a future meeting to identify any issues to inform the way in which Veritau might progress its VfM work and that updates be included, in the meantime, within the report “Progress on Issues Raised by the Committee”	It is suggested that VfM Audits are picked up as part of the Corporate Themes Audit in December 2013.	X
18/04/2013	275 – Consideration of the Audit Committee’s terms of reference relating to Value for Money	That the Corporate Director, Strategic Resources consider whether the Committee’s terms of reference require revision with regard to providing assurances about arrangements made within the County Council in respect of achieving value for money.	See Item 5 relating to 27 June 2013	✓
18/04/2013	276 – Training items for Audit Committee on 27 June 2013	30 minutes be allocated for Member training on Procurement and a further 30 minutes be allocated for welcomes / identification of future training needs.	Complete. Feedback and ideas welcomed on an on-going basis.	✓
27/06/2013	5 – Terms of Reference for the Committee	That a report concerning possible amendments to the Committee’s terms of reference be submitted to the Committee’s meeting to be held on 5 Dec 2013.	Added to the workplan for 5 December 2013.	✓

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
27/06/2013	6 – Review of the Effectiveness of Internal Audit 2012/13	That the Audit and Information Assurance Manager identify the number of senior managers who had been asked to complete a form as part of the annual survey of Veritau's services and to advise Members of the outcome.	Email sent to Members of the Committee on 4 July 2013.	✓
27/06/2013	8 – Annual Governance Statement and Local Code of Corporate Governance.	That the Corporate Directors be invited to review their comments within the Statement of Assurance 2012/13.	Feedback provided to Management Board and revised Statements produced.	✓
27/06/2013	10 – Progress on 2013/14 Internal Audit Plan	That the Chairman be advised, following the meeting, of the number of requests made under the Freedom of Information act, during the months prior to the County Council elections on 2 May 2013, about the County Councillors who were seeking re-election.	The Audit and Information Assurance Manager advised the Chairman following the meeting.	✓

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 A detailed report on the County Council's 2013/14 Treasury Management activities in 2013/14 up to 30 June 2013 was submitted to Executive on 20 August 2013 as part of the overall Q1 Performance and Budget Monitoring report and this has already been provided to Members of the Audit Committee for information and comment / questions.
- 3.3 As mentioned in that report a review of investments will be carried out in latter part of the current financial year which will consider:
- (i) Whether there is opportunity to add further organisations to the approved lending list
 - (ii) Whether the maximum investment limits with each organisation should be increased again
 - (iii) Other investment options which are already included as part of the approved list of 'specified' and 'non specified' investments
- 3.4 As expected cash balances are now starting to reduce and were £262m on 13 September compared with a high of over £303m towards the end of July. As a result there is no current investment with the Government's Debt Management Office (DMO) account. The temporary suspension of Santander from the approved list of investment counterparties has also been recently removed following improvement to some of their 'investment criteria'. This has also provided some relief to the approved investment counterparty list.

3.5 Following the issue of the latest Bank of England Inflation Report for August 2013 and the initiation of forward guidance by Mark Carney, the new Governor of the Bank of England, Sector has undertaken a review of its interest rate forecasts. The key change is to push back their expected first increase in Bank Rate by nearly two years from about March 2015 to about December 2016. This would impact on the County Council's MTFs through a continuing lower return on invested cash balances.

3.6 Sector has recently rebranded themselves as "Capita Asset Services – Treasury Solutions".

4.0 RATIONALISATION OF SYSTEMS AND DATA

4.1 At the last Committee meeting on the 27 June 2013 it was reported that the Microsoft roll-out had been completed successfully and that the number of systems in use and managed by Corporate ICT had been reduced from 1,500 to less than 500. In parallel to this the One Council Systems and Data workstream produced an application portfolio which listed details of every system in use.

4.2 With the adoption of the application portfolio the rationalisation of systems has become embedded within ICT Services. When any new requirements for systems are raised with ICT through the client team the portfolio is reviewed to check that the functionality doesn't already exist within systems been used currently. If this is the case, analysts detail a solution using the existing components and agree them with the business.

4.3 This has been very successful over the last year with a number of service areas utilising the existing systems, for example the County Searches service are utilising the Lagan Customer Relationship Management (CRM) system rather than purchasing another third party product, this has realised significant savings.

4.4 ICT Services are committed to reducing further the number of applications in use across the authority to deliver further savings and increase the use of corporate applications to improve information sharing across the services. Given that the One Council approach has now been mainstreamed it is suggested that there are diminishing returns on producing this routine update. It is proposed therefore that ICT issues are either addressed through other agenda items (for e.g. Internal Audit Reports on Computer Audit, Information Governance etc.) and / or informal briefings prior to the commencement of formal business.

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.

GARY FIELDING
Corporate Director – Strategic Resources

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NORTHALLERTON

26 September 2013

Background Documents:

Report to, and Minutes of, Audit Committee meeting held on 27 June 2013