NOTTINGHAM CITY COUNCIL

AUDIT COMMITTEE

MINUTES (revised) of the meeting held at LB31 Loxley House, Station Street, Nottingham, NG2 3NG on 26 June 2015 from 10.30 - 12.18

Membership

Present
Councillor Sarah Piper (Chair)
Councillor Michael Edwards
Councillor John Hartshorne
Councillor Carole-Ann Jones
Councillor Anne Peach
Councillor Sarah Piper (Chair)
Councillor Andrew Rule
Councillor Linda Woodings
Councillor Steve Young

Absent
Councillor Dave Liversidge
Councillor Toby Neal
Councillor Malcolm Wood

Colleagues, partners and others in attendance:

Jeremy Bailey	-	IT Service Support Manager
Glyn Daykin	-	Audit Section
Barry Dryden	-	Senior Finance Manager
Simon Salmon	-	Head of IT
Shail Shah	-	Head of Internal Audit
Richard Walton	-	KPMG External Auditors
Phil Wye	-	Governance Officer

1   APPOINTMENT OF VICE CHAIR

RESOLVED to appoint Councillor Steve Young as vice-chair

2   APOLOGIES FOR ABSENCE

Councillor David Liversidge (other council business)
Councillor Toby Neil (other council business)
Councillor Malcolm Wood (other council business)

3   DECLARATIONS OF INTERESTS

None

4   MINUTES

The minutes of the meeting held on 27 February 2015 were confirmed and signed by the Chair.

5   FUTURE MEETING DATES

AGREED to meet on the following dates:

2015: 7 August, 18 September, 27 November
2016: 26 February, 6 May

6 KPMG EXTERNAL AUDIT PROGRESS REPORT AND TECHNICAL UPDATE

Richard Walton, of external auditors KPMG presented the progress report, highlighting the following points:

(a) the report is laid out differently from previous reports. It outlines national concerns of local government so that the Committee can have an overview and request council officers to give updates on specific topics at future meetings;

(b) the report uses a traffic-light system showing the areas of most concern as red. There is only one red are which is CIPFA and HFMA guidance on the Better Care Fund and Section 75 budgets;

RESOLVED to note the report

7 PROGRESS AGAINST RECOMMENDATIONS OF THE ACTICA REVIEW OF NOTTINGHAM CITY COUNCIL IT SERVICES

Jez Bailey, IT Service Support Manager gave a presentation on progress against the recommendations of the Actica Review, highlighting the following points:

(a) the review was commissioned in June 2014, and looked at all aspects of the IT service including vision, governance, structure and capacity;

(b) the report was hart-hitting, frank and accurate but did also identify areas where positive changes were already being made such as an investment in technology and a reduction in the number of calls;

(c) the report gave 28 recommendations ranked high, medium or low priority and also suggested a move to a Service Tower Delivery model, meaning a move from a product-focused to a service-focused model;

(d) currently all of the 28 recommendations are being addressed and one is complete. It is hoped that all targets will have been met by Summer 2016;

(e) there has been a notable reduction in calls to the IT helpdesk, abandoned calls, open calls at the end of the month and incidents which breach the Service Level Agreement;

The following answers were given in response to questions from the Committee:

(f) the IT service now has an investment plan which is reviewed monthly. There has been a move to cloud-based solutions in some areas however this is not always the best value for money option as there has been heavy investment in hardware and storage;

(g) the council has achieved accreditation on three national standards for IT security and this is taken very seriously;

(h) as part of the IT Service Improvement Plan, there has been an upgrade programme of user equipment with most colleagues now having received laptops and taken off Citrix;

(i) there has been investment in public access to computers, with all libraries and leisure centres having their public computers replaced. There is also now public wi-fi at 22 council sites through The Cloud, and a contract has been signed to provide wi-fi through street furniture in the city-centre;

(j) there is also a plan for old council equipment to be offered to members of the public who have no computers. This could be distributed by councillors and could also go to community centres or youth centres as well as vulnerable families;

(k) the Big Conversation recently focused on IT services, and confirmed that those users who have received laptops are happier than those who still use the old systems.

RESOLVED

(1)   to note the findings of the IT review, the recommendations made by ACTICA and the progress to date;

(2)   that with regard to the 28 recommendations within the ACTICA report, the IT Service Support Manager provide Councillors Edwards, Peach and Young with the action plan identifying the individual time scale targets to implement or address each recommendation;

(3)   for the IT Service Support Manager to provide a briefing note to all Councillors, outlining the IT equipment disposal policy and providing contact details for relevant IT colleagues to assist with distributing old equipment to community and voluntary groups.

8   TREASURY MANAGEMENT 2014/15 ANNUAL REPORT

Glyn Daykin, Finance Analyst presented the report of the Corporate Director for Resources, highlighting the following:

(a) the three main themes of the report are:

(i)   new borrowing – no new long term borrowing has taken place;
(ii) debt rescheduling – no debt rescheduling has taken place;
(iii) investments – there has been a good return on investments;

(b) the overall outturn for 2014/15 is an underspend of £2.6m, mainly due to slippage in capital programmes;

(c) the banking service was transferred from Co-Op to Lloyds as Co-Op pulled out of the public sector market, and Lloyds gave the best alternative offer;

(d) Treasury Management training will be given at the next meeting for new members.

RESOLVED to

(1) note the performance information in relation to Treasury Management activities for 2014/15, as detailed in the report.

(2) bring a report on all capital schemes and values to the next meeting, so that Councillors can pick schemes that they would like to look at in more detail. This can be provided by a Capital accountant.

9   INTERNAL AUDIT CHARTER 2015

Shail Shah, Head of Internal Audit, presented the report which, in accordance with Public Sector Internal Audit Standards, included minor amendments to the Charter endorsed on 25 July 2014, by reflecting the enactment of the Accounts and Audit Regulations 2015.

RESOLVED to endorse the Internal Audit Charter.

10   INTERIM ANNUAL GOVERNANCE STATEMENT 2014/15

Shail Shah, Head of Internal Audit presented the interim Annual Governance Statement. The final version of the statement will be presented to the Committee in September.

RESOLVED to

(1) note the Interim Governance Statement, the final version of which will be published with the City Council's Statement of Accounts.

11   INTERNAL AUDIT ANNUAL REPORT

Shail Shah, Head of Internal Audit, introduced the Director of Strategic Finance's report which outlined the work of the Internal Audit service for 2014/15.

RESOLVED to

(1) note the audit work completed during the year;
(2) note the Head of Internal Audit's annual opinion;
(3) select Foster Caring and Adoption and Budgetary Control audits for examination at the November meeting.

12   EAST MIDLANDS SHARED SERVICES (EMSS) ANNUAL REPORT 2015

RESOLVED to note the EMSS Annual Report 2014/15.

13   EXCLUSION OF THE PUBLIC

The Committee decided to exclude the public from the meeting during consideration of the remaining agenda item in accordance with Section 100A(4) of the Local Government Act 1972 on that basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

14   EAST MIDLANDS SHARED SERVICES (EMSS) ANNUAL REPORT 2015 - EXEMPT APPENDIX 1

Shail Shah, Head of Internal Audit presented his opinion on the EMSS annual report.

RESOLVED to note the Head of Internal Audit's opinion contained within the EMSS Annual Report 2014/15.