

# **Nottingham City Council**

## **Audit Committee**

**Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 31 March 2023 from 10.30 am - 12.15 pm**

### **Membership**

#### **Present**

Councillor AJ Matsiko (Vice Chair)  
Councillor Graham Chapman  
Councillor Michael Edwards  
Councillor Jane Lakey  
Councillor Nayab Patel  
Councillor Andrew Rule

#### **Absent**

Councillor Sajid Mohammed (Chair)  
Councillor Ethan Radford

### **Colleagues, partners and others in attendance:**

Debbie Bowring	- Corporate Risk and Assurance Manager
James Lavender	- Governance Officer
Helen Lillington	- Grant Thornton External Auditors
Naomi Matthews	- Team Leader, Data Protection
Rob McCutcheon	- Team Leader, Corporate Safety Advice
Steve Oakley	- Acting Director of Commissioning and Procurement
Shail Shah	- Head of Audit and Risk
Jean Stevenson	- Interim Team Leader, Technical Finance
Malcolm Townroe	- Director of Legal and Governance
Laura Wilson	- Senior Governance Officer

### **72 Apologies for absence**

Councillor Sajid Mohammed – illness  
Councillor Ethan Radford – personal reasons

### **73 Declarations of interest**

None.

### **74 Minutes**

The minutes of the meeting(s) held on 28 October and 22 February 2023 were confirmed as correct records and signed by the Chair.

A discussion on Minute 71 of the 24 February 2023 meeting took place in the exempt minutes item of the meeting.

## **75 Regular monitoring of previous years' statements of accounts**

Helen Lillington, the External Auditor from Grant Thornton on behalf of Nottingham City Council (NCC), delivered a verbal update regarding progress on the audit of the Council's financial accounts.

During the discussion and in response to questions from the Committee, the following points were raised:

- a) upon request by the Improvement and Assurance Board (IAB), the accounts for 2019/20, 2020/21 and 2021/22 are to be fully audited by the end of September 2023. Ernst and Young, as commissioned by the Council, will write a report examining the management override controls;
- b) regular monitoring of previous' years statement of accounts will be a standing item for future meetings;
- c) the auditors are not aware of any changes to the scope of the report from Ernst and Young regarding the management override of controls;
- d) the accounts from Robin Hood Energy are complete;
- e) the checking of the accounts involves checking all financial transactions, reviewing the financial controls in place and analysing sample transactions to see if the correct control plan procedures are followed;
- f) the deadline of the Ernst and Young report is in two weeks' time.

**Resolved to make this item a standing verbal update for future committee meetings.**

## **76 Exemption from Contract Procedure Rules Quarter Three 2022/23**

Steve Oakley, Head of Contracting and Procurement, presented the report detailing the exemptions from Contract Procedure Rules that had been approved during Quarter 2 of 2022/23, and the actions being taken to ensure that exemptions only occur when there is a sound rationale for doing so. He highlighted the following information:

- a) this is the fifth report presented to this Committee since the Contract Procedure Rules changed;
- b) the number of exemptions continues to decline, with an average of eight exemptions per quarter;
- c) there will always be some requests for exemption from Contract Procedure Rules as not all contracts can be let through a formal tendering or quotation process for various reasons, for example, where there is only one supplier for technical reasons, such as Microsoft being used for IT purposes;

- d) the three exemptions requested in Quarter 3 are the lowest for this financial year. Of the approved requests, two are unavoidable with no alternative option to the exemption for various reasons. The other exemption may have been avoidable if plans had been discussed with the Procurement Team at an earlier stage;
- e) the three approved exemptions total £0.338m, with an average of £0.112m;
- f) the new procurement rules require Officers to get three quotes from different sources before considering the exemptions procedure;
- g) the procurement pipeline has been shared with Directors and further work is underway to get procurement pipelines by division and service. This will support in planning procurement opportunities with departments and aim to reduce the late requests for procurement support;
- h) the Compliant Purchasing Team continue to work with the Category Managers to ensure any request that is not following best practice is added to the longer term Category plan or alternative compliant purchasing options implemented.

During the discussion and in response to questions from the Committee, the following points were raised:

- i) communication will be aimed at Officers to ensure that they will not be submitting money for grants without coming to the Council's Finance Team first. The team will help to submit bids, for example, recent homelessness and domestic violence grant bids;
- j) the procurement pipeline, contract advice and other advice is provided via the "Doing Business with Nottingham City Council" page on the Council's website;
- k) as the operating model goes live, the team will be doing upfront work about what the market conditions are for certain types of business before undertaking procurement work.

**Resolved to note the number of exemptions from Contract Procedure Rules during quarter three of 2022/23, and the actions being taken to ensure that contacts were awarded in line with Contract Procedure Rules, and exemptions only occurred where there was a sound rationale for approving that exemption.**

## **77 Contract Management and Procurement Audits Update**

Steve Oakley, Head of Contracting and Procurement, presented the report detailing the progress of actions arising from the Council's Contract Management and Procurement Dispensation audits and review. He highlighted the following information:

- a) a new Director of Commercial, Procurement and Contract Management has started with the Council. They have developed the new Commercial Strategy alongside supporting the implementation of the new Operating Model for Commercial, Procurement and Contract Management. The new Operating

Model will support commercial decision-making so that all decisions are robustly considered and implemented in a way that gets the best value possible, but also ensures probity;

- b) Full Council approved the funding for the new structure which includes 15 additional posts;
- c) new appointments include a Change Lead for Commercial, Procurement and Contract Management and a Procurement Officer to support the implementation of the new Operating Model;
- d) over £400,000 in savings will be made over the next four years;
- e) the procurement training pack available on the Council's online Learning Zone informs staff about the Council's procurement process;
- f) mandatory contract management training will be published by the end of March. This is aimed at all officers who procure services on behalf of the Council;
- g) some officers have completed the Commercial Colleges Contract Management Training at Foundation Level, and others are undertaking the Practitioner Level;
- h) policies for the Delivery Model Assessment and Strategic Contract Management will be developed;
- i) the current Procurement Strategy will be reviewed and a new strategy for 2024 to 2028 will be drafted;
- j) policies for the Delivery Model Assessment and Strategic Contract Management will be developed to ensure the all decisions provide best value;
- k) the Contract Procedure Rules will be reviewed to reflect best practice identified in the Operating Model;
- l) the National Procurement Strategy will measure procurement performance against similar local authorities and core cities.

**Resolved to:**

- 1. note the actions already completed and the impact of these actions;**
- 2. agree actions planned and being implemented, noting the planned impact of these actions.**

**78 Annual Report of health and safety within the council**

Rob McCutcheon, Team Leader for Corporate Safety Advice, presented the report detailing the health and safety figures within the Council regarding number of accidents reported and training delivered. He highlighted the following information:

- a) 100% of colleagues and building managers within the Community, Environment and Residents' Services, Finance and Resources, and Growth and City Development Directorates have completed the mandatory health and safety training;
- b) the Health and Safety Executive (HSE) takes a robust approach in holding local authorities responsible for the management of asbestos within the buildings they own;
- c) no incidents of asbestos exposure were recorded in the last year;
- d) the Corporate Safety Advice Team audited a number of Council services. Existing high risks identified are due to a lack of up-to-date documentation. There are no new high risk activities recorded. The medium and small risks identified are due to documentation needing updating;
- e) the HSE have not been involved with any incidents at the Council;
- f) the number of accidents and violent incidents reported by Council staff has dropped to pre-COVID levels, however the number of investigations into accidents and violent incidents remains high;
- g) the Corporate Health, Safety and Welfare Panel works with trade unions to identify incidents and take action to stop them from happening again;
- h) there is a new system in place for recording incidents;
- i) work is taking place with Nottingham City Homes (NCH) to ensure their health and safety procedures align with the Council's for when the Council take over the service;
- j) the corporate landlord function will provide a consistent approach to health and safety practice as well as accident and compliance statistics.

During the discussion and in response to questions from the Committee, the following points were raised:

- k) statistics and trends within the Council's annual health and safety report will be circulated to the Committee;
- l) violent incidents include verbal violence/abuse. The reporting of such incidents depends on the local organisation's processes for what constitutes as violence;
- m) thresholds for physical or verbal violence can be reported in future.

**Resolved to:**

- 1. request that the Head of Resilience contact all Corporate Directors to ensure the following:**

- a. **their directorate colleagues can demonstrate up to date training in the mandatory health and safety courses, and, where appropriate, asbestos management, by Friday 7 July 2023 and;**
  - b. **all outstanding Accident/Violence/Audit recommendations are completed and recorded on the corporate system by Friday 7 July 2023;**
- 2. note the absence of any HSE intervention in the council in the past three years;**
- 3. include statistics and trends within future reports.**

## **79 Corporate Risk and Assurance Register Update**

Shail Shah, Head of Audit and Risk, and Debbie Bowring, Corporate Risk and Assurance Manager, presented the report detailing the risk reporting process and rating current corporate risks.

**Resolved to note the Corporate Risk and Assurance Register and if appropriate, identify any risks for further review.**

## **80 Exclusion of the public**

The Committee decided to exclude the public from the meeting during consideration of the remaining agenda items in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

## **81 Corporate Risk and Assurance Register update exempt appendices**

The information contained within the exempt appendix was discussed, details of which are set out in the exempt minutes.

## **82 Information Compliance and Information Security Annual Assurance Report**

Naomi Matthews, Data Protection Officer, presented the report, which provided independent assurance to the Committee of the adequacy of the information compliance framework and the internal control environment, details of which are set out in the exempt minutes.

## **83 Exempt minutes**

The minutes of the meetings held on 28 October and 22 February 2023 were confirmed as correct records and signed by the Chair.