

Audit Committee – 25 September 2020

Title of paper:	Report of External Auditor in the Public Interest and Action Plan	
Director(s)/ Corporate Director(s):	Director of Legal and Governance	Wards affected: All
Report author(s) and contact details:	Daniel Ayrton daniel.ayrton@nottinghamcity.gov.uk	
Other colleagues who have provided input:		
Recommendation(s):		
1	To consider the Council response and action plan approved by extraordinary meeting of full Council on August 27 th 2020 and provide comment	

1 Reasons for recommendations

- 1.1 As required by the Local Audit and Accountability Act 2014, the report of the external auditor issued in the public interest regarding the governance arrangements for Robin Hood Energy was considered by full Council on August 27th 2020.
- 1.2 The Council meeting on August 27th also considered and approved the Council's formal response to the auditor's report and an action plan detailing the steps the Council proposes to take in response to the auditor's recommendations.
- 1.3 The report to full Council on August 27th recommended that the Council request that the Overview and Scrutiny Committee and the Audit Committee consider and review the Action Plan from their differing constitutional positions, and give their feedback in a report to the Executive Board at its October meeting.

2 Background

- 2.1 On Tuesday August 11th, the Council received a report from its external auditors into the governance arrangements for Robin Hood Energy, a wholly owned subsidiary of Nottingham City Council. The report was issued in the public interest and therefore required the City Council to take steps detailed in the Local Audit and Accountability Act 2014.
- 2.2 The report addresses the governance arrangements Nottingham City Council had put in place since Robin Hood Energy was set up in 2015 and the failure of that governance.
- 2.3 The report notes that over the last year and with new Council leadership, improvements to this governance have been put in place. The report made 13 recommendations which the Council must consider and respond to within one month. These recommendations speak to the Robin Hood Company in particular but also require the council to think about its arrangements with all its companies and its governance as a council in general.
- 2.4 In preparing a response to the auditors report and recommendations, the City Council has produced an action plan detailing 62 specific actions it proposes to take. These

actions were presented to full Council in the form of an action plan a copy of which is appended to this report.

- 2.5 The City Council voted to accept the findings of the auditor's report including recommendations R1 to R13. The Council agreed the Action Plan appended to this report, noting that the Action Plan includes a response to each of the external auditor's recommendations, as well as a number of additional recommendations. It also sets out both indicative timelines and accountabilities.

3 Background papers other than published works or those disclosing exempt or confidential information

- 3.1 None

4 Published documents referred to in compiling this report

- 4.1 Report of external auditor; 'Report in the Public Interest concerning the Council's governance arrangements for Robin Hood Energy Ltd'.
- 4.2 Nottingham City Council Action Plan in response to auditor's report approved by full council on August 27th 2020; 'Report in the Public Interest on Nottingham City Council's governance arrangements for Robin Hood Energy and Action Plan in response'.