

**BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK**

**AUDIT COMMITTEE**

**Minutes from the Meeting of the Audit Committee held on Monday, 4th September, 2017 at 5.00 pm in the Card Room - Town Hall, Saturday Market Place, King's Lynn PE30 5DQ**

**PRESENT:** Councillor D Pope (Chairman)  
Councillors Mrs J Collingham, J Collop, P Kunes, C Manning, G Middleton,  
T Smith and T Tilbrook (Vice-Chairman)

**Portfolio Holders**

Councillor B Long, Leader

Councillor P Hodson, Portfolio Holder – Performance

Councillor Mrs K Mellish, Portfolio Holder – Facilities and ICT

**Officers:**

Toby Cowper, Group Accountant

Emma Duncan, Monitoring Officer and Legal Services Manager

Richard Godfrey, ICT Manager

Lorraine Gore, Executive Director

Kathy Woodward, Audit Manager

A29 **APPOINTMENT OF VICE-CHAIRMAN**

**RESOLVED:** That Councillor T Tilbrook be appointed Vice-Chairman for the meeting.

A30 **APOLOGIES**

An apology for absence was received from Councillor M Hopkins.

A31 **MINUTES**

The minutes of the Audit Committee held on 31 July 2017 were agreed as a correct record and signed by the Chairman, subject to the following amendment:

A23: Statement of Accounts and

A24: External ISA 260 Report

Councillor Tilbrook asked if new recruits to the Borough Council's subsidiary companies needed to join the local authority final salary pension scheme, and it was confirmed that this was not the case. New recruits to these organisations currently were offered the local authority final salary scheme, but this does not have to be the case in the future. The Borough Council could change the type of pension offered to a

simple money purchase scheme. This would reduce the Borough Council's long term liability.

A32 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

A33 **URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business.

A34 **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There were no Members present under Standing Order 34.

A35 **CHAIRMAN'S CORRESPONDENCE (IF ANY)**

There was none.

A36 **PRESENTATION ON IT BACK-UP SYSTEMS**

The Committee received a presentation from the ICT Manager, a copy of which is attached to the Minutes.

The Committee was invited to comment/ask questions, a summary of which is set out below.

The ICT Manager responded to questions relating to:

- Length of time information was retained on the IT servers.
- Council having its own dedicate line for IT services. Currently 100mg but being upgraded to provide a faster service.
- Business Continuity Exercise included previous scenario of the IT failing in King's Court when a role play exercise was undertaken.
- UPS system.
- Two separate back up systems. A new server had been acquired specifically for CCTV.
- Back up generator. A new more powerful generator would be installed in King's Court.
- Resources to maintain defences to prevent information being stolen/leaked inappropriately.
- ICT Development Group.

The ICT Manager was asked if it was felt that the Council had the correct level of resources required and the support needed to keep the Borough Council's IT system secure. In response, the ICT Manager advised that additional resource was always welcome, but that in his

opinion at the present time the Council had sufficient resource to ensure the authority was well protected.

The Chairman, Councillor Pope thanked the ICT Manager for the most interesting and informative presentation.

A37

### **MONITORING OFFICER REPORT 2016/2017**

The Monitoring Officer presented the report which summarised the more important matters arising from the Monitoring Officer's work for the Borough Council from 1 April 2016 to 31 March 2017 and commented on other issues.

The Monitoring Officer advised the Committee of an update since the publication of the Agenda. The Committee was informed that following an Ombudsman decision, a payment of £100 had been made regarding a planning issue .

The Committee noted that the key issues for 2017/2018 were as follows:

- Further work with the parishes would be beneficial in reducing the number of complaints and raising the standards of governance.
- Code of Conduct: To undertake Member training.
- Corporate Governance Framework: The Council will keep the Code of Corporate Governance under review, taking into account any revisions to associated guidance and any recommendations arising from audit reports. The Monitoring Officer will continue to provide an assurance in respect of the Code and the Annual Governance Statement.
- Constitution and Regulations: The Constitution will continue to be kept under review by the Monitoring Officer working closely with the Democratic Services Team. It will be appropriate to continue to remind Members and staff of the importance of compliance with the Council's regulations, as set out in the Constitution and other policy framework documents, and the Monitoring Officer and other staff will give advice accordingly.

In conclusion, the Monitoring Officer advised that in her opinion the systems of internal control administered by the Monitoring Officer including the Code of Conduct and the council's Constitution, were adequate and effective during the year between April 2016 and March 2017 for the purposes of the latest regulations (subject to the areas outlined in the report).

The Monitoring Officer gave an example of a trial being undertaken at North Norfolk District Council where a newsletter was produced for Parish Councils and there was a specific section for Parish Clerks on subject matters such as how to deal with Freedom of

Information requests, excluding the press and public for a meeting, etc.

The Monitoring Officer responded to questions/comments relating to:

- Process for dealing with complaints received from Parish Councils.
- Training courses available for Parish Clerks.
- Norfolk Association of Town and Parish Councils help to signpost Parish Councils.
- Complaints received 1 April 2016 to 31 March 2017, 19 complaints were received and at least 15 out of 19 relating to Parish Councils.
- Role of Independent Person.
- Training on Code of Conduct for Members – potential for a refresher to be given to all Members as a pre-Council Briefing.

**RESOLVED:** 1) That Committee noted the Monitoring Officer Annual Report 2016/2017.

2) Consideration be given to update Members on the Code of Conduct at a future pre-Council briefing.

A38

### **TREASURY OUTTURN REPORT**

The Group Accountant presented the report and advised the Committee that the Annual Treasury Outturn Report looked backwards at 2016/2017 and covered:

- The 2016/2017 Treasury Outturn.
- Compliance with Treasury Limited.
- Outturn Summary.

Additional supporting information:

- Appendix 1 – Investments as at 31 March 2017.
- Appendix 2 – Borrowing as at 31 March 2017.
- Appendix 3 – Prudential Indicators.
- Appendix 4 – Treasury Benchmarking Group.
- Appendix 5 – The Economy 2016/2017.

The Committee was invited to ask questions, a summary of which is set out below.

The Group Accountant responded to questions relating to the Council's investments and the advice received from the Treasury Advisors.

The Group Accountant provided clarification on paragraph 3.3 and explained that the Council obtained advice from the Treasury/Sector/Capita and followed their method to invest in the market and highlighted the 3 credit rating agents.

The Group Accountant and Leader, Councillor Long responded to questions and comments on AAA rating.

The Executive Director responded to questions from Councillor Collop on Gaywood Community Centre. Councillor Collop commented that he would discuss the Community Centre in more detail outside of the Panel meeting.

Following questions on the actuals figures as at 31 March 2017, the Group Accountant explained that the differences related to the housing projects and the new road off Edward Benefer Way to Lynnsport.

In response to questions relating to paragraph 2.2, the Group Accountant explained that the Council's received advice from Sector, but the Council could if it so wished take more risk with investment and management of debt. The Leader, Councillor Long advised that Cabinet took different approaches to utilise funds in order to achieve a better return and gave an example of housing development rather than traditional ways of investment..

The Executive Director explained that every year the Treasury Strategy set the parameters in which the Council operated. In March 2017, the Audit Committee received the proposed Investment Strategy which set out options on using funds which were different from traditional investments.

In response to questions as to why the Council's actual borrowing had reduced from £17m to £13m, and Capital expenditure increasing from £11m to £19m, the Group Accountant explained that the gap was funded from internal reserves and used for cash flow for housing development on a short term basis. It was explained that the Council could borrow £13m on a long term basis. The Executive Director advised that not all funding was obtained solely from borrowing, but from a combination of reserves, grants, assets and borrowing. Capital receipts received during 2016/2017 helped to fund the capital expenditure. The Leader, Councillor Long added that the Council always had liquid assets for day to day operational purposes. The property investment in King's Lynn provided a safe and sound investment, but provided no guarantee. The importance of having a balanced portfolio was highlighted. The Council had a technical limit in that it could not borrow more than what it could afford to borrow. The Executive Director provided the Committee with details relating to the Council's Investment Strategy.

The Executive Director explained that some of the Council's money was invested in banks on a short term basis.

In response to question as to why the Council borrowed at a higher rate, the Executive Director explained that the Council had previously taken out 70 year loans. The Group Accountant that the Council remained tied in to the loans for another 60 years and early repayment of those loans would incur penalties. The Executive Director added that the loan term loans were taken out during the stock transfer period and it had considered to be a competitive long term loan at a comparable interest rate. The Executive Director undertook to forward the information in a table format to the Audit Committee.

Following questions from the Chairman, Councillor Pope on investments end dates and the £8m now available to reinvest. The Group Accountant explained that the money would be held on a short term basis and invested in the money market and also be used for corporate projects, details of which were reported in the Monthly Monitoring Reports.

The Chairman, Councillor Pope thanked the Group Accountant for presenting the report.

**AGREED:** The Audit Committee noted the Actual Treasury Outturn 2016/2017.

A39

#### **UPDATE - INTERNAL AUDIT TERMS OF REFERENCE**

In presenting the report the Audit Manager explained that the Internal Audit Terms of Reference were last reviewed in 2013/14 and were therefore overdue a review as part of the three year review process. The documents had been reviewed and the results were being presented to the Committee to consider and comment on before they were adopted by the Internal Audit Team.

The Audit Manager advised that the changes mainly related to:

- Development of a Quality Assurance Improvement Programme (QAIP).
- Deletion of the Deputy Chief Executive role and transfer of responsibilities to Executive Director (S151 Officer).
- Change in title from 'Audit and Risk Committee' to 'Audit Committee'.
- Updates in relation to the Accounts and Audit Regulations 2016.
- Minor corrections to grammar and spelling.

The Committee were advised of the options considered set out below:

1. Adopt the revised the Internal Audit Terms of Reference to ensure the Council had relevant and up-to-date procedures and policies.

2. Remain with the existing Internal Audit Terms of Reference, which were no longer fully relevant or fit for purpose.

Councillor Collop made reference to the Audits being published on Insite and the Audit Committee accessing the documents and asked if there was a mechanism by alerting Members the information had been published. The Audit Manager undertook to liaise with IT to see if an alert could be sent to the Audit Committee on publication of audits.

**RESOLVED:** The Committee considered the changes made to the Internal Audit Terms of Reference and recommend approval for adoption of these revised documents.

A40 **COMMITTEE WORK PROGRAMME 2017/2018**

The Committee noted the Working Programme for 2017/2018.

The Chairman, Councillor Pope invited Members to put forward any future Agenda items for consideration.

The Chairman reminded that Committee that at the next meeting on 27 November there would be a budget training session and that all Members would be invited to attend.

A41 **DATE OF NEXT MEETING**

The next meeting of the Audit Committee will be held on Monday 27 November 2017 at 5.00 pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn.

**The meeting closed at 6.12 pm**



# ICT Backups

Richard Godfrey – ICT  
Manager





## 1 Introduction

- How many people store photos/files on their computers?
- How many people actually back them up?
- How many people know how to recover them?
- Many don't, family members / friends often ask me to help as it can be complex for non IT people.
- Can you use the cloud?

Yes, the cloud is just somewhere to store files that is managed by a 3<sup>rd</sup> party.



## 2 Why do we backup files and systems?

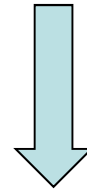
- Businesses rely on ICT more than ever.
- Software can be reinstalled but your data is priceless.
- To prevent loss of data.
- Causes of data loss – Corruption, accidental deletion or overwrite, virus, phishing attack, PC failure, hacking, theft, power failure/spikes.

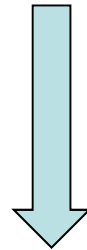


## 3 ICT backups at BCKLWN

### 3.1 Flow of data – user inputs data

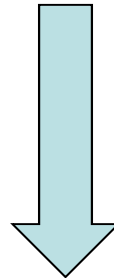
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ComputerHope.com



## 3.2 What is the scale of what we backup?

- Systems wise – we backup over 60 business applications including Revenues and Benefits, Financials and Email.
- Size of backups taken: 2.0Tb and 1 million changed files per day
- Number of servers backed up? 200
- How often are backups taken? Daily
- Total amount stored in our backup system 100Tb – equivalent to over 1 billion pages of plain text
- How long do we keep backups? 30 days for systems and 365 days for files



### 3.3 How / where do we backup files?

Systems and files are initially stored in our Datacentre in King's Court.

BCKLWN has two IT backup solutions in place:

a) Spectrum Protect software backup system.

- An archive solution provided by IBM which provides for both full and incremental backup of the Council's data
- Stored at Broad Street
- Weekly transfer of backup tapes to a Council site in Hunstanton.





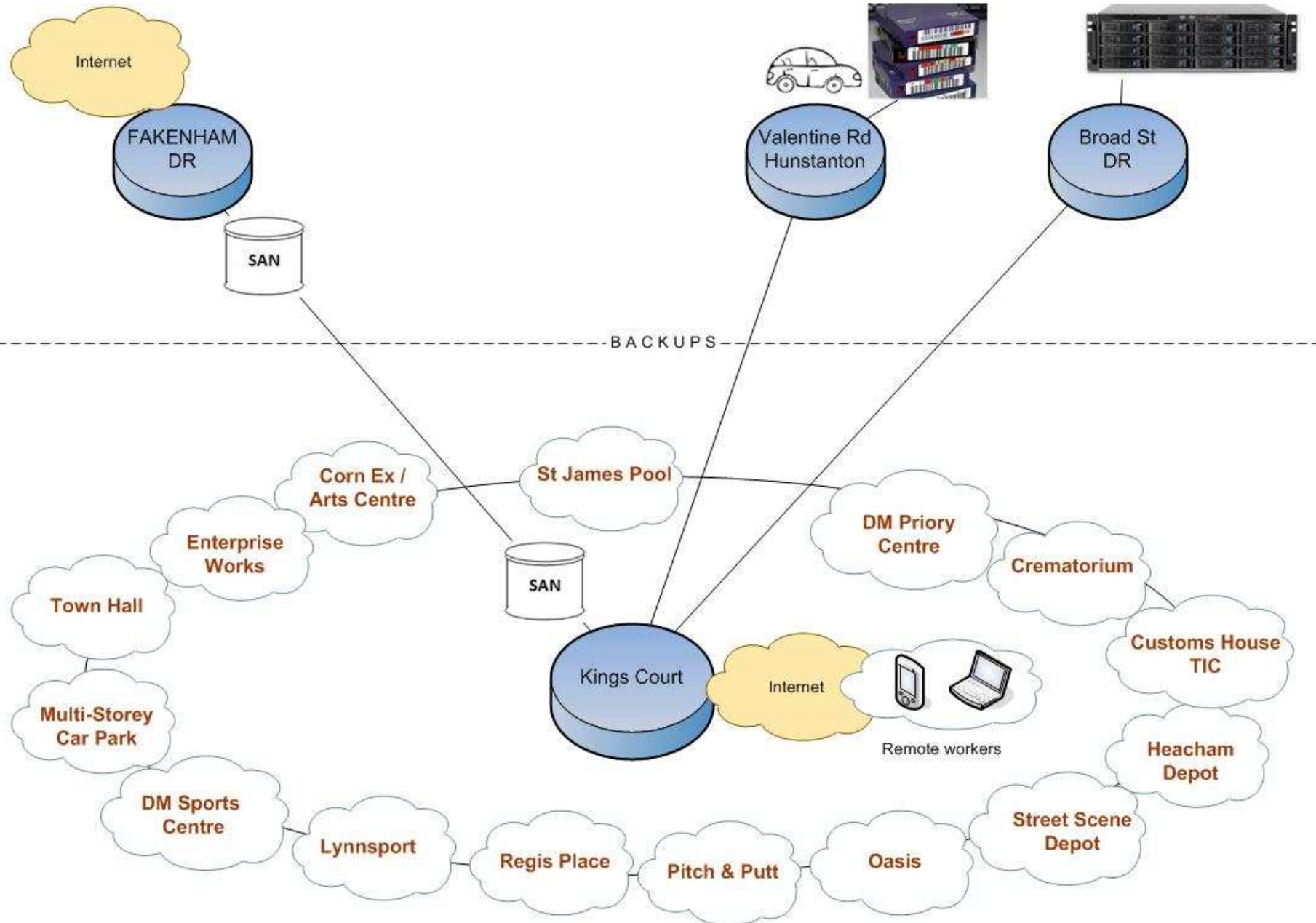
## b) Storage Area Network (SAN) solution

- Provided by Dell
- Effectively replicates a snapshot of Kings Court Data Centre data to a Disaster Recovery (DR) site.
- Daily electronic transfer via dedicated cable, at a facility in Fakenham which is shared with North Norfolk District Council (NNDC)
- recover recent live data in the event of a partial or total loss of data) as key deliverable and is not therefore designed as a method of archiving for extended periods of time.





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## 3.4 What controls do we have in place?

### Backup Controls

- Firstly, I requested internal audit undertake an audit of our ICT Backup procedures and Disaster Recovery in 2016. The overall level of assurance was ‘Substantial Assurance’
- Where possible backups are run overnight and are completed before 7am on working days.
- Backups are stored in secure locations. A limited number of authorised personnel have access to the backup application and media copies.



## Backup Validation

- The IT Backup systems have been designed to ensure that routine backup operations require no manual intervention.
- The IT department monitor backup operations and the status for backup jobs is checked on a daily basis during the working week.
- Any failed backups are re-run where possible the next working day. If this subsequently fails, the system owner is notified and it would be their decision to either take the system down for a backup or retry the following day.



## Backup Restore

- Data is available for restore within a few minutes of a backup job completing on the daily schedule.
- Data will be available during the retention policy of each backup job.
- Requests for data recovery / restores are submitted to the IT Service desk.
- A log of restored jobs is maintained.



### 3.5 Resources Required

- The ICT Security Officer has day to day responsibility for maintaining the system and producing the necessary documentation and providing training for other members of staff.
- An ICT Technical Services Analyst has been identified to act as second line support to the ICT Security Officer.
- A member of the ICT Business Systems team checks / co-ordinates any system backup reporting or issues.



## 3.6 Future Developments

- E-services and an influx of new technologies is changing how we do business.
- There is now a notion of 'always on' systems.
- ICT are looking at ways to improve our backup systems to enable more 'hot backups'.
- E.g. No need to shut systems overnight to back them up.
- 'Veeam' is a product we have invested in, to facilitate a reduction in backup times and enable faster recovery times.



Thank you for listening - any questions?



