

Minutes of the National Oversight and Audit Commission (NOAC) meeting

Tuesday 4th July 2017

Venue: Main Conference Room, Custom House, Dublin 1

Attended by:

Chairman Pat McLoughlin

Members John Buckley
Tara Buckley
Connie Hanniffy
David Holohan
Michael McGreal
Martina Moloney
Sharon O'Connor
Colleen Savage

Secretariat Diarmuid O'Leary
Sheila McMahan

Apologies Paul Lemass

Guests John Paul Phelan, TD, Minister for Local Government
David O'Connor, Claire Gilligan and Danny Lynch re LGMA ICT Strategy
Brian Curtis, John Flanagan and Vincent Moran of Dublin City Council
Kevin Glancy and Mary Quinn of Leitrim County Council

Minutes of last meeting and matters arising

The minutes of the meeting of 23rd May 2017 were agreed subject to one amendment. The members confirmed that they were not aware of any conflicts of interest in relation to the items for discussion at the meeting. The Chairman welcomed the reappointment of John Buckley and Tara Buckley as members of NOAC and noted the resignation of Henry Upton. He advised the members that the new Minister of State with responsibility for Local Government and Electoral Reform proposed to join the meeting at 11.15 for a brief discussion.

ICT Strategy

David O'Connor, who chairs the CCMA ICT Committee, outlined the CCMA/LGMA structure and referred to the fact that 15 of the LGMA staff complement of about 100 are engaged in the IT area. The function of local authority IT collaboration and co-ordination is an absolutely critical one for the LGMA as ICT can drive costs. The LGMA has moved away from providing operational support to LAs with the emphasis now on putting in place shared systems such as MyPay or lead authority systems such as MapRoad. The IT strategy will be finalised in the near future. The LGMA will be happy to collaborate with NOAC on any review it undertakes of this function, to collect data on NOAC's behalf and to help develop the best possible performance indicator for this functional area.

Claire Gilligan, Assistant Chief Executive of the LGMA, referred to the strategy gestation having taken about 18 months, with two facilitation sessions and several workshops. The draft should be ready for sign off after the meeting of the group next week and will then be for application by the sector. She outlined the strategic themes of *Build to Share* to drive efficiency and to standardise customer service, business processes and the hosting environment, *Digital First* for all new systems, *Data as an Enabler* covering information management, the new General Data Protection Regulation requirements and security, *Improve Governance* and *Increase Capability* with dwindling resources.

The Chairman outlined the reasons why NOAC is considering examining the ICT function, including variations in cost, the cyber incident in Meath, the consumer perspective and the fact that ICT is an enabler of change. Other members raised the high spend on ICT, the tie-in of local authority websites with the eGovernment strategy, issues with data reliability, consistency and the need to address integration of data streams and plans for the licences.ie portal and for customer experience testing. The LGMA advised that they are developing a national service catalogue for local authority websites and that only those systems being used by all authorities will be maintained centrally in future.

Minister for Local Government

The Chairman and members welcomed John Paul Phelan, TD, Minister for Local Government, to the meeting and congratulated him on his appointment. The Minister said he wanted to take the opportunity to meet the members and express his appreciation for the work NOAC had carried out since its establishment. As a former member of a local authority, he was aware that NOAC brought a needed level of additional oversight to local government. He intended to meet with the Chairman at greater length, but in the meantime he wanted to see if there were any gaps or places where he could help.

Members referred to a number of issues, including; that the recent performance indicator validation visits to the border counties of Donegal and Monaghan had highlighted the challenge posed by Brexit and the support needed by those authorities, the need to ensure that the NOAC secretariat was adequately resourced to assist NOAC in carrying out its full functions, low and declining public awareness of all the services provided by local authorities, and the need for more active engagement by authorities in ensuring customer satisfaction. The Minister acknowledged these issues and also referred to the Taoiseach's interest in and ideas for local government. Further to the brief discussion today, he will follow-up on the main issues of concern to NOAC with the Chairman.

Cost of ICT per Whole-time Equivalent (WTE)

Brian Curtin and John Flanagan provided an overview of ICT in Dublin City Council, which has one of the lowest ICT costs per WTE. The Council has two data centres with both capable of separately running the 156 systems that are in use. Expenditure on ICT is 1-1½% of revenue

and major savings have been achieved from software management with a move to perpetual purchase rather than annual subscription fees. Business analysis rather than systems technical expertise is the main skill required of the 60.3 WTE employed in the area and the city's Law Agent acts as the Data Protection Officer. The Council does not use contractors but brings in companies to provide required services in areas such as Citrix Desktop, Telephony, Security, etc. The Council's Transport Asset Management System for the city's transport infrastructure assets is being rolled out to manage the €95m annual operational and maintenance cost, with a projected efficiency gain of 5% and is expected to be measuring efficiencies in the next two years.

Kevin Glancy pointed out that Leitrim County Council, which had the highest ICT cost per WTE among local authorities in 2015, is at the other end of the scale with 250 users requiring the same services as Dublin City Council's 4,500 staff. The Council was dependent on the LGSCB in the past but has developed a number of small systems in-house. Challenges are the end of life systems, staff skillsets becoming outdated and the rural broadband deficit. The discretionary part of the Council's ICT budget is only 11%. A total of seven staff work in the IT area and the two technical support staff dealt with about 3,000 calls for support in 2016. Corporate Services manage Leitrim's social media strategy. The 2015 performance indicator was distorted by the incorrect use of all expenditure on the ICT codes, so the 2016 cost per WTE is lower.

The members enquired whether the ICT strategy being developed would challenge existing ways of doing business, whether LGMA withdrawal from operational support poses a risk for local projects in smaller authorities and whether Leitrim County Council had ever considered asking for their IT needs to be looked after by another local authority. Mary Quinn responded that the latter had not been considered because the Council is autonomous and works on the basis of how best to use the resources available to it.

The Chairman thanked all of the guests for their presentations. The members in their subsequent discussion agreed that the proposal for a review of the ICT function should be included on the agenda for the next meeting and further considered then.

Local Authority Profiles

The Chairman advised the members that he had met with the full CCMA on 15th June, at which he had told them about the compilation of the individual local authority profiles based on the reviews that NOAC had carried out to date. He had indicated that NOAC would be happy to meet individually with the Chief Executives and discuss with them what information might give a better representation of their county. He proposed that he and the secretariat should meet the Chief Executives initially to provide an opportunity to add any other data to expand the profile of their authority. Meetings between the Chief Executive and the full NOAC would then follow to discuss the revised profiles. It was agreed that the initial meetings should be

arranged over the next 3-4 weeks and that the objective should be to profile at least five authorities per annum.

Code of Practice for the Governance of State Bodies

The Chairman and secretariat advised that the adaptation agreement was necessary due to the particular NOAC structure and financing arrangements, which meant that significant elements of the Code were inappropriate to it. The executed adaptation, oversight and performance delivery agreements were part of the documents that had to be put in place to achieve implementation by 1st September 2017 when the Code comes fully into effect. The oversight and performance delivery agreements and the circulated draft terms of reference had been prepared in accordance with the templates contained in the Code documentation. The members approved the terms of reference. Issues raised for future consideration were whether NOAC should seek to have a designated Secretary position and where responsibility for procurement compliance would fall.

2016 Performance Indicators

The meeting agreed to delegate to the Performance Indicators Sub-Group the appropriate response to the proposals received in relation to infographical presentation of the 2016 performance indicator data. Martina Moloney, chair of the sub-group, indicated that the draft 2016 Performance Indicators report should be a significant agenda item for the NOAC meeting on 22nd August if the target publication date of September is to be achieved.

Financial Performance

The Chairman informed the meeting that he was due to meet with Níamh Larkin, the Director of Audit, next week and the discussion would include NOAC's follow-up to the 2015 LGAS Audit Reports. John Buckley, chair of the Financial Performance Sub-Group, referred to the intention discussed at the last sub-group meeting to draw themes from the replies rather than to re-do the LGAS reports.

Customer Survey and PMO Project updates

Colleen Savage is preparing a more detailed summary/presentation from the responses received to the customer survey than the note circulated for the meeting, so this item is to be deferred to the next meeting. Responses are now being received to the internal audit questionnaire.

Next Meeting

The next meeting of NOAC is scheduled for Tuesday 22nd August 2017 at the later time of 10.30 a.m. The meetings for the remainder of the year will be on 26th September, 7th November and 19th December 2017.