

ANGUS COUNCIL

SCRUTINY AND AUDIT SUB COMMITTEE – 18 MAY 2010

TOREX (XN) LEISURE SYSTEM UPDATE

REPORT BY DIRECTOR OF NEIGHBOURHOOD SERVICES

ABSTRACT: This report provides an update on progress with the action plan recommendations from Internal Audit reports 09/09 and 09/10.

1. RECOMMENDATION(S)

1.1 It is recommended that the Sub-Committee: -

- (i) Note the progress made within the content of this update report;
- (ii) Defer any final decision on the long term future of the Leisure System until the outstanding actions, as agreed with the supplier, are concluded by the end of September 2010.

2. BACKGROUND

2.2 Reference is made to Item 9 of the minute of meeting of the Scrutiny and Audit Sub Committee of Tuesday 17 November 2009 and the recommendation that update reports, including any outstanding actions would be brought back to future sub committees.

3. CURRENT POSITION

XN Audit Update

3.1 Following the meeting of the Scrutiny and Audit Sub Committee, a management group was established, chaired by the Director of Neighbourhood Services to take forward the actions of Internal Audit reports 09/09 and 09/10.

This took place on 29 November 2009. There were 2 directions of improvement identified; the first was to compare the product delivered by XN in comparison to the procurement specification. Secondly, whilst not a direct action from the Internal Audit, it was considered important from a business continuity perspective, to set up a trial at Arbroath Sports Centre (ASC) to test the overall performance of the network through the new improved Angus Council IT networks.

3.2 At the next meeting on 7 January 2010, some progress had been made in developing an understanding of the disparity between our specification for the XN system and what was occurring in practice. However, this analysis and actions need to be continued to be completed in order to inform a letter to XN inviting them to discuss the issues on 22 January 2010. This letter was finalised and sent on the 15 January 2010. Any outstanding actions from the audits were to be completed by 31 March 2010.

The trial at ASC had progressed satisfactorily and IT intimated and minuted there were no major issues outstanding.

3.3 Following the meeting with the XN Account Manager on the 22nd January an outturn meeting was held on 27 January 2010. At the meeting it was noted that XN had progressed a number of queries and solutions to the issues raised within letter from the Director, and it was proposed to have a final meeting with XN to close out the problems in February 2010.

Further progress had been made on the Internal Audit action plan, and the completed actions signed off and collated in an evidence file.

Finally as an upgraded version of Advantage was now available and it was proposed to run this through the ASC test database in conjunction with IT as a further test for business continuity and audit purposes.

3.4 At the meeting with the XN Managing Director on 12 February 2010, it was established that the shortfalls in performance of the previous provider, Torex, still remained and that in purchasing Advantage from XN these shortfalls would be resolved. However, that was not the case and a number of issues remained. XN presented an action plan to deal with the issues contained in the letter of 15 January 2010, however, these were reliant on projected upgrades to Advantage.

3.5 At the outturn meeting on 4 March 2010, it was noted that a number of actions which were due to be completed on 31 March 2010 and required XN's assistance would no longer be completed on the due date. XN had provided a revised timetable and on the basis of previous missed promised deadlines by XN, a written assurance for completion was to be sought from XN.

In respect of the internal audit action plan 09/10 all actions are complete. There were however 6 actions outstanding from internal action plan 09/09, four actions will be resolved in the proposed upgrade and installation of Advantage 9.5 in April 2010, and one in August 2010 with the installation of Advantage 9.5 SPI. The final action related to establishing a regular housekeeping/data cleansing regime, Leisure are in receipt of the regime and are currently examining the regime to ensure its effectiveness and ability to data cleans as well as deal with good housekeeping procedures.

It is envisaged that all outstanding actions will be completed and closed out by September 2010.

4. FINANCIAL IMPLICATIONS

4.1 There are no financial implications directly associated with this report.

5. HUMAN RIGHTS IMPLICATIONS

5.1 There are no Human Rights implications associated with this report

6. EQUALITIES IMPLICATIONS

6.1 The issues dealt with in this report have been the subject of consideration from an equalities perspective (as required by legislation). An equalities impact assessment is not required.

7. CONSULTATION

7.1 The Chief Executive, Director of Corporate Services, Head of Finance and Head of Law and Administration have been consulted in the preparation of this report

8. CONCLUSION

8.1 There has been a marked improvement in the urgency by XN Leisure to work with Angus Council in resolving the outstanding issues with the leisure system and comply with the audit recommendations.

A programme of action with dates and responsibilities has been agreed and we now anticipate a full conclusion to the outstanding issues to be by September 2010.

A further report with final recommendations will be prepared at this time and presented to the appropriate committees.

RON ASHTON
DIRECTOR OF NEIGHBOURHOOD SERVICES

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

LS/NS/RA/AW