

Minutes

REGULATORY AND AUDIT COMMITTEE

**MINUTES OF THE MEETING OF THE REGULATORY AND AUDIT COMMITTEE HELD ON
WEDNESDAY 15 APRIL 2015 IN MEZZANINE ROOM 2, COUNTY HALL, AYLESBURY,
COMMENCING AT 9.00 AM AND CONCLUDING AT 11.00 AM.**

MEMBERS PRESENT

Mr T Butcher (Vice-Chairman)
Mr D Martin
Mr Z Mohammed (Chairman)
Mr R Scott
Mr A Stevens
Mr W Whyte

OTHERS IN ATTENDANCE

Mr J Batt, Committee Assistant
Mr D Bradley, Manager, Public Sector Assurance, Grant Thornton UK LLP
Mr I Dyson, Chief Internal Auditor
Mr L Fermanel, Service Manager, Safeguarding, Adults and Family Wellbeing
Ms M Gibb, Risk and Insurance Manager
Mr A Oyerinde, Grant Thornton UK LLP
Mr R Schmidt, Assistant Service Director (Strategic Finance),

1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP

Bill Chapple and Paul Grady sent their apologies.

2 DECLARATIONS OF INTEREST

Mr Scott is a trustee of the Pension Fund - although he noted that this should not constitute a conflict of interests.

3 MINUTES

The previous minutes agreed as being an accurate record.

4 WHISTLE-BLOWING



INVESTOR IN PEOPLE



It was confirmed that there had been no material changes made to the policy, although additional work may be required regarding counter-fraud.

Clarification was sought over 'appropriate process' in relation to Section 4.1 of the Whistleblowing Policy (section B) and asked if the 'appropriate process' is different to that of whistle blowing. It was explained that the need-to-know process would commence in conjunction with the safeguarding policy.

M Gibb advised that Section 3.2 details that such concerns would be processed through the LADO.

It was noted that, with regard to page 16 (item 2.1 – section L) of the Whistleblowing Policy, information such as the annual report should now be referred into the Regulatory and Audit Committee.

DECISION: The Committee agreed the Whistleblowing Policy and that the Whistleblowing policy should be presented at the Regulatory & Audit Committee in future

5 DRAFT RISK AND ASSURANCE STRATEGY

The Committee was told that the combined assurance framework would provide better information to the Regulatory and Audit Committee in relation to the whole operation of the council.

With regard to the timetable for strategy approval, it was confirmed that the first draft would be considered by the One Council Board and circulated to the Committee before 10th June 2015. A full draft would be distributed to Members for their comments with the final sign-off in June 2015.

The Committee heard that work was still taking place on the Strategy and Members were welcome to contact Ms Gibb with additional comments.

The Committee was informed that although the detail of the Assurance Framework was being developed with Transport, Environment and Economy (TEE) and Business Service Plus (BSP), other Business Units would be involved in the sign-off process and would be required to agree details relating to their Business Units.

6 2015/16 ANNUAL INTERNAL AUDIT STRATEGY

Mr Dyson presented the Annual Internal Audit Strategy and informed Members that under Future Shape, the Business Assurance Team now sat within the organisation's HQ.

Mr Dyson highlighted the following issues:

- That in relation to counter-fraud activity, discussions would take place with District Councils to consider improvements needed to combat fraud
- That over the last few years BCC had operated with Oxford County Council on a shared-resource basis, backfilling roles with an external service provider. However, it was now considered that a local audit function was more effective and would be supplemented by external specialists as required.
- That quarterly updates would be provided to the Committee.

In relation to a question raised about work for the Local Enterprise Partnership, the Committee were informed that the LEP fell within the remit of the team.

A discussion was had in relation to the development of new delivery vehicles and Members heard that the Council's audit responsibility covered the management of contracts rather than operation of the vehicles themselves. Any audit activity directly in relation to the delivery vehicles would be chargeable. In relation to a question around the scrutiny of organisations which were either wholly-owned by the Council or for which they were shareholders, the Committee was told that the audit of accounts and effective contract management should provide assurance.

Mr Dyson advised the Committee of a forthcoming audit on the governance arrangements for the Bucks Learning Trust (contract monitoring, management).

The Committee was told that key risks were detailed on the strategic risk register overseen by the One Council Board.

A discussion was had regarding the assurance for external bodies.

AGREED: It was agreed for Mr Dyson to present a paper to the next meeting of the Committee in June.

DECISION: The Committee agreed to approve the Internal Audit Strategy 2015/16

At the meeting held on 10th June, Ian Dyson advised the committee that the above paper will no longer be an item to be presented at the June meeting and that this will instead roll over to the September 2015 meeting.

7 EXTERNAL AUDITORS PLAN 2014/15

The External Auditor's Report was presented and the Committee was told that the Council's accounts would be brought to the next meeting of the Committee in June.

It was confirmed that although the internal audit service did not undertake work on behalf of the external auditors, all internal audit reports were provided to Grant Thornton.

A question was raised regarding the investment the Council was making in Children's Services as a result of the recent Ofsted report. In response, Mr Bradley explained value for money would be determined by ensuring money was spent in a reasonable way and had resulted in an improved assessment from Ofsted.

8 PENSION FUND AUDIT PLAN 2014/15

The Committee received and discussed the Pension Fund Audit Plan 2014/15.

In relation to the Council's Level 3 investments the Committee was informed that Grant Thornton would be undertaking more work in this area.

ACTION: Mr Oyerinde to provide comparative information on pension funds at the next meeting in June.

At the meeting held on 10th June Ian Dyson advised that this report will be being carried over to the 24th June meeting.

The Committee discussed the issue of admitted bodies to the pension fund.

ACTION: Mr Schmidt to respond to Mr Whyte regarding Transport for Bucks issues

At the meeting held on 10th June Richard Schmidt provided a verbal response to the above action. He advised he had not supplied an update to Mr Warren Whyte but is happy to verbally following this meeting. It was advised that “following the incident of TUPE transferred bodies being omitted from the pension fund, lessons have been learn. It is difficult to say that this will never happen again, as the initial error occurred due to human error rather than an issue with the system. There are now a number of arrangements in place to support such staff transfers, as under TUPE regulations staff have to have an equivalent scheme when transferring over and if they do not they are considered for admission onto our pension scheme. Variations will be made on a case by case basis.”

9 RISK MANAGEMENT GROUP UPDATE

The Committee learned that the Risk Management Group had been meeting more frequently over the past year.

Ms Gibb explained that work had been taking place with Transportation services to improve risk management. Improvements were being made and the service would be returning to the Group in June for further discussions.

Work was also taking place with regard to risks in relation to Future Shape.

The Committee was assured that monthly meetings were taking place with Children’s Services to monitor progress of the improvement programme.

10 2014/15 INTERNAL AUDIT PLAN PROGRESS REPORT

The Committee discussed the 2014/15 Internal Audit Plan Progress Report and noted that due to staffing issues, part of the Audit Plan had had to be deferred until 2015/16. The Committee noted that there were 3 categories: Substantial Assurance, Reasonable Assurance and Limited Assurance; and that a report and action plan were produced for each audit.

The report highlighted issues with compliance with information not consistently provided in a timely manner.

In relation to the audit of AFW Payments to Providers the accuracy of the draft audit report has not been confirmed and therefore internal audit have not been able to issue and agree the final report. It is planned that with Internal Audit and senior management will report back to the regulatory and audit committee at the June meeting with the audit concluded and actions agreed.

The Committee was told that data matches run every two years by the National Fraud Institute had identified some issues and the team is currently investigating a potential external fraud.

In relation to the TfB contract, concerns were raised about delays in planned work. The Committee heard that a strategic review was being undertaken.

In relation to a question regarding the Select Committee’s inquiry into Section 106 and the planned audit in this area, the Committee was assured that audit would not duplication scrutiny work.

11 FORWARD PLAN - STANDING ITEM

Draft forward plan to be brought to future meeting for discussion.

12 DATE AND TIME OF NEXT MEETING

Wednesday 10th June @ 09.00am, Mezzanine Room 2.

13 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded for the following item which is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)

14 2014/15 INTERNAL AUDIT PLAN PROGRESS REPORT

The audit was discussed by the Committee.

ACTION: The action plan from the Payments to Providers report to be reported at the 10th of June meeting.

15 ADULTS SAFEGUARDING AUDIT UPDATE

Ms Gibb presented the follow up report in relation to this audit. This was discussed in depth and key improvements were highlighted.

ACTION: Lee Ferman del to provide the Chairman with the results of the peer review once available (post September 2015).

At the meeting held on 10th June Ian Dyson advised that this peer review report will be brought to the September meeting.

16 EXTERNAL AUDIT BRIEFING WITH MEMBERS

CHAIRMAN