

Minutes

REGULATORY AND AUDIT COMMITTEE

MINUTES OF THE MEETING OF THE REGULATORY AND AUDIT COMMITTEE HELD ON THURSDAY 15 JUNE 2017 IN MEZZANINE ROOM 1, COUNTY HALL, AYLESBURY, COMMENCING AT 2.00 PM AND CONCLUDING AT 3.52 PM.

MEMBERS PRESENT

Mr T Butcher (Vice-Chairman)
Ms N Glover
Mr N Hussain
Mr D Martin (Chairman)
Mr P Martin
Mr D Watson

OTHERS IN ATTENDANCE

Mrs S Ashmead, Assistant Chief Executive
Ms R Bennett, Committee Assistant
Ms M Gibb, Head of Business Assurance
Mr R Schmidt, Head of Strategic Finance, Assistant Service Director (Strategic Finance)
Mr T Slaughter, Executive, Grant Thornton Auditors
Mr M Ward, Manager, Grant Thornton Auditors

1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP

Apologies were received from Mr Dhillion, Mr Bowles and Mr Niknam Hussain.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES

The Chairman highlighted the actions that had been completed since the previous meeting and clarified that:

- It would be reported back to the meeting in July details of the reduction of income in Health & Wellbeing, Children's Services and Education and Skills business units.

- Mr Ambrose was taking forward the suggestion to present with more clarity the impact the Energy from Waste (EfW) contract is having on individual business units

The minutes of the meeting held on 24 May 2017 were agreed as a correct record and signed by the Chairman.

4 TREASURY MANAGEMENT ANNUAL REPORT 2016/17

Mrs J Edwards attended the Committee to update Members on the Treasury Management Annual Report 2016/17.

Recommendation

The Committee was asked to recommend to Council the Treasury Management Annual Report; and the actual Prudential Indicators for 2016/17.

Mrs Edwards gave an overview of the report and highlighted the following points:

- The Treasury Management Strategy was presented to the Regulatory and Audit Committee on 8 February 2016 and subsequently approved at County Council on 18 February 2016
- The Council paid a single payment of £180m plus £36m VAT in June 2016 in respect of the Energy from Waste Plant. Following the EfW payment the Council had managed its cashflow requirements through undertaking temporary borrowing

The Committee made the following points:

- The Committee asked if and how the indicators set out in the report were benchmarked against other Local Authorities. Mr R Schmidt confirmed that the indicators were not benchmarked, however the rate of returns were benchmarked
- The Committee questioned the actual external debt that appeared in the previous report to be repaid in the last financial year that still seemed to be outstanding to be repaid in this financial year. Mrs Edwards confirmed that there were a number of loans structured so the Council paid £11.7m last year and will also repay £11.7m this year.

RESOLVED: The Committee RECOMMENDED to Council the Treasury Management Annual Report and the actual Prudential Indicators for 2016/17.

Mrs Edwards was thanked for her report.

5 2017/18 DRAFT BUSINESS ASSURANCE STRATEGY (INCL. INTERNAL AUDIT PLAN)

Ms M Gibb gave a verbal update to the Committee outlining the progress of the Draft Business Assurance Strategy.

Ms Gibb highlighted the following points:

- Quarter 1 audit activity had been agreed by the Regulatory and Audit Committee in May 2017 and was in progress
- Remaining items had been discussed at the Corporate Management Team, further details would come back to Committee in July
- Key areas of focus were Contract Management, Programme and Project Management and Debt Management

RESOLVED: Ms Gibb was thanked and her update noted by the Committee.

6 CONTRACT STANDING ORDERS - EXEMPTIONS AND BREACHES

Mr R Schmidt presented the report to the Committee which provided an updated summary in relation to compliance with the Council's Standing Orders relating to Contracts (CSO) and compliance with the Public Procurement Regulations. The reporting period covered the period from 1 October 2016 until 31 March 2017.

Recommendation

Members were asked to NOTE the report.

The following points were discussed:

- There was an overall reduction in exemptions in comparison to the same quarter in the previous year
- The mystery shopping exercises had been completed by Central Government at various points throughout the year

The Committee noted that Appendix 2 (**Breaches to public procurement regulations**) was deemed confidential and would be discussed under part 2 of the meeting.

RESOLVED: The Committee NOTED the report.

7 WHISTLEBLOWING POLICY - INCIDENTS AND EFFECTIVENESS

Mrs A Nichols presented the Whistleblowing policy and update report which the Committee receives annually.

Mrs Nichols highlighted the following points:

- There had been no change to the policy since last year and no changes in legislation
- One case had been raised in year but had since been dismissed

The Committee discussed the following points:

- The Chairman asked for an update following a previous incident reported of performance and governance issues at a school as there had been no outcome reported. Mrs Nichols updated the committee that the case was closed down as following clarification of the concerns, it did not go through as a whistleblowing case and was managed through the Council Complaints system
- The Committee asked for an update regarding the whistleblowing issue around the Placement of SEN children. Mrs Nichols advised that an internal audit investigation was commissioned as a result of this complaint and an action plan was then put in place
- Reference was made to the item in the report relating to the Legal Services transfer to Harrow Council and the claim this had been unlawful. Mrs Nichols updated the board this had been investigated and advice taken confirmed the Council had acted legally
- The Committee requested that going forward the reports should include updates on the outcomes of cases from the previous year

ACTION: Mrs Nichols

- The Committee went on to discuss the protocol around individuals seeking to find out who had made the complaint in the first instance through the whistleblowing policy. Mrs Nichols confirmed that although there was not anything in the policy prohibiting people from carrying out their own investigations, it would be covered in other policies under code of conduct and would be discouraged in all cases. Mrs Nichols agreed to take this away and consider whether to add some wording in the Whistleblowing Policy

ACTION: Mrs Nichols

RESOLVED: The report was NOTED by the Committee

8 FORWARD PLAN

Ms Gibb presented the forward plan to the Committee.

Ms Gibb updated the Committee that on an annual basis after the meeting in July a private session would be held when Ms Gibb will run through any issues or questions Committee Members had.

The Chairman reiterated that all members of Regulatory and Audit Committee are encouraged to attend meetings of the Risk Management Committee.

RESOLVED: The Committee NOTED the forward plan.

9 DATE AND TIME OF NEXT MEETING

Wednesday 26 July, 9am in Mezz 1 County Hall.

10 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)

11 CONFIDENTIAL MINUTES

12 LIMITED ASSURANCE INTERNAL AUDIT REPORT

13 BUCKINGHAMSHIRE CARE UPDATE

14 AOB

The Committee discussed the process of reporting risks across the organisation and in relation to ADVs and wanted assurances that the same issues would not be experienced again.

Ms Gibb stated that the roll out of the new system had been very successful with all business units using it and reporting to senior management teams. Ms Gibb and her team were working closely with the contract supplier management group and each Platinum, Platinum Plus and Gold risk registers were on the new risk management system. The additional reporting facilities of the system meant that there was now more visibility of risks across the organisation.

The Committee requested that the sign off for the 2016/17 accounts which reflected the impact of the audit of Bucks Care be shared. Ms Gibb agreed to put this on a future meeting.

ACTION: Ms Gibb

CHAIRMAN