

# Minutes

## *REGULATORY AND AUDIT COMMITTEE*

**MINUTES OF THE MEETING OF THE REGULATORY AND AUDIT COMMITTEE HELD ON WEDNESDAY 12 SEPTEMBER 2018 IN MEZZANINE ROOM 1 - COUNTY HALL, AYLESBURY, COMMENCING AT 9.00 AM AND CONCLUDING AT 11.30 AM.**

### **MEMBERS PRESENT**

Mr R Bagge  
Mr T Butcher (Vice-Chairman)  
Mr D Martin (Chairman)  
Mr P Martin  
Mr D Watson

### **OTHERS IN ATTENDANCE**

Mr R Ambrose, Director of Finance & Procurement, Service Director, Finance and Commercial Services  
Ms M Gibb, Head of Business Assurance  
Ms S Harlock, Audit Manager  
Mrs K Mitchelmore, Corporate Complaints Manager, BCC  
Ms G Naeem, Committee Assistant  
Ms C Scholes, Complaints Officer  
Mr R Schmidt, Head of Strategic Finance

### **1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP**

Apologies were received from Mr D Dhillon. Changes in Membership.  
Mrs T Birchley stepped down from the Committee. Mr B Bendyshe-Brown would be joining the Committee from 1 October 2018.

### **2 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3 MINUTES**

The Chairman gave the following action updates following the meeting held on 25 July 2018.

**Page 4:** Ms J Edwards, Pension Fund Manager would be giving an update on the increase in administration costs at this meeting.

**Item 6:** The income and expenditure statement had been changed in the accounts to a comprehensive balance sheet.

**Item 5:** Documents that accompanied the minutes were discussed at the last meeting and had been resolved. The Chairman had spoken to Democratic Services and agreed that “to follow” papers would no longer be allowed in the agenda packs, and only full report packs would be sent out. Any late reports, unless in exceptional circumstances, would be deferred to the next meeting.

**Item 7:** Concerns relating to the risks involved in investing in retail properties were raised. It was noted that the Risk Management Group would look at this as part of the meeting in December.

The 121 informal sessions with external auditors, Grant Thornton and the Chief Internal Auditor would take place prior to the Regulatory and Audit meeting in November.

**ACTION: Ms Naeem**

**RESOLVED: The minutes of the meeting held on 25 July 18 were agreed as an accurate record and signed by the Chairman.**

#### **4 COMPLIMENTS AND COMPLAINTS ANNUAL REPORT**

Mrs K Mitchelmore, Team Manager and Mrs C Scholes, Corporate Complaints Officer attended the Committee to present the Compliments and Complaints Annual Report.

The Chairman stated all complaints would be recorded accurately with full records kept and lessons learned would be applied going forward.

Mrs Mitchelmore highlighted the following points:

- There had been an increase in the number of compliments due to an increase of those reported in Adult Social Care, which was very positive.
- The number of complaints received had increased for the third year in a row to 760 this year. There was a decrease in Corporate Stage 1 complaints from 612 last year to 550 this year.
- An increase in Children’s Stage 1 complaints; 67 statutory stage one complaints this year compared to 46 last year.
- There were fewer Adult’s statutory complaints.
- There had been a 2017/18 increase in number of concerns that were addressed before escalating to the statutory process.
- The Corporate Complaints targets were changed from 28 calendar days to 10 working days.

- The average response time was currently 53.6 days with time frame for complaints being 6 months.
- Children's statutory complaints target was 10 working days with the average response time being 13 working days.
- A Member of the Committee asked about the various targets of 28 days and internal target of 10 working days suggesting that these seemed to be confusing and questioned how realistic the targets were. It was suggested that there was a danger of demoralising people.
- A Member of the Committee stated that the stats were very comprehensive.
- Ms Scholes stated that the motive for statutory and non-statutory complaints is that the Ombudsman doesn't overturn a finding.
- A Member of the Committee asked how long the Council would keep complaints on file. Ms Scholes stated that the complaints or social care records could be kept for 75 years.
- The Chairman thanked colleagues for their hard work and their detailed and informative report.

The Chairman stated that new IT system had been procured and went live on 1 July 2018.

Ms Mitchelmore stated that the response times were due to be reduced in the new improvement plan, and they would be benchmarking against other authorities.

The Chairman stated that the ombudsman letter to Chief Executive should link to Local Government Organisation scrutiny website. This would also encourage Elected Members and Scrutiny Committees to make use of these resources.

The Chairman and Members complimented the work of this team and noted the compliment made by the Ombudsman in his annual report as to the effectiveness of the BCC system.

**RESOLVED: The Committee NOTED the findings in the report and AGREED the proposed management actions.**

## **5 RISK MANAGEMENT GROUP UPDATE**

Ms M Gibb, Head of Business Assurance & CIA, presented her report on Risk Management Group.

The following points were noted during discussion and in answer to Members questions:

- The key risks identified were; Infrastructure Cyber Security resourcing, the Technology Services Strategy and the updated Risk Register.
- A response was due on 10 October relating to United Debt Management and the key financial risks.

The Executive Director for Children's services attended and provided a very detailed overview of the Children's improvement programme.

The Chairman stated that the Risk Management Group was very important and encouraged members to attend future meetings.

**RESOLVED: The Committee NOTED the update report.**

## **6 2018/19 BUSINESS ASSURANCE UPDATE**

Ms M Gibb, Head of Business Assurance & CIA presented her report.

The following points were noted during discussion and in answer to Members questions:

- The Chairman stated that the strategy was approved by Reg & Audit Committee in July.
- The Chairman informed Members of the appointment of Mr Michael Frost Audit Manager who had replaced Ms Rachel Shovell.
- Mr Frost would attend Reg & Audit meeting in November to present updates on Counter Fraud Activity.
- The Business Assurance Team are supporting the Finance Management Improvement Programme which was a key project being delivered within the Finance and Procurement service both from a Risk Management and an Assurance Activity perspective.
- Mr R Ambrose stated that Ms Gibb would talk to Executive Directors for additional resources.
- Ms Harlock gave the Counter Fraud Plan to Members.
- The SAP system for staff claims was discussed in detail. Control of agency staff expenses was identified as a risk, and instances of bad practices will be highlighted to the business units.
- Recruitment fraud from a previous case highlighted the potential risk exposure therefore this review will check for references, right to work, and qualifications.
- An NFI exercise had commenced and would be doing a Data Capture Exercise engaging with Business Units.
- Mr Michael Frost would be delivering more Fraud Awareness sessions this year.
- The Chairman raised his concerns around the significant sums of Social Worker expense claims. He was also concerned about if the Agency Senior Officers were signing off Social Worker expense claims.
- The Chairman stated that the Audit Team were promulgating good practice throughout the business and hopefully that good practice would extend to agency staff expense claim signs off. Ms Harlock stated that agency staff should not be signing other agency staff expenses, however due to a number of interim senior posts this was occurring and the testing this year will be evaluating to see if there have been improvements following last year's findings.
- The Chairman requested further investigation for improvement and better control.

The Chairman commended the high quality ongoing work of the internal audit team.

**RESOLVED: The Committee NOTED the update report.**

## **7 STANDING ORDERS EXEMPTIONS AND BREACHES**

Mr Richard Ambrose Section 151 Officer attended the Committee to present the report.

The following points were noted during discussion and in answer to Members questions:

- The Report covered the exemptions and breaches in 2017/18
- There was a duty to get best value and assess business cases that come forward.
- Breaches would be picked up in the second part of the meeting.

**RESOLVED: The Committee NOTED the update report.**

## **8 FORWARD PLAN**

Ms M Gibb, Head of Business Assurance & CIA presented the forward plan and highlighted the following items.

Ms Gibb advised the next meeting will take place on 21 November 18.

The following points were discussed:

- Whistleblowing Policy.
- Anti-Fraud and Corruption Strategy.
- Anti-Money Laundering Policy.
- Business continuity update.
- Close session with External and internal Auditors.

The Chairman announced that a Senior Member Mr Richard Schmidt would be leaving the Council.

The Chairman commended Mr Schmidt for the work he had done for the organisation and Members wished him the very best.

Mr Schmidt stated that it had been a privilege to work for and support the organisation.

**RESOLVED: The Committee NOTED the update report.**

**9 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).**

**10 STANDING ORDERS EXEMPTIONS AND BREACHES**

**11 CORPORATE DEBT MANAGEMENT**

**12 FRAUD UPDATE (VIA STATUTORY OFFICERS GROUP)**

**13 DATE AND TIME OF NEXT MEETING**

The next meeting will be held on 21 November 2018 in the Mezzanine Room 1, County Hall, Aylesbury Buckinghamshire.

**CHAIRMAN**