

# Minutes

## *REGULATORY AND AUDIT COMMITTEE*

**MINUTES OF THE MEETING OF THE REGULATORY AND AUDIT COMMITTEE HELD ON WEDNESDAY 21 NOVEMBER 2018 IN MEZZANINE ROOM 1 - COUNTY HALL, AYLESBURY, COMMENCING AT 9.40 AM AND CONCLUDING AT 11.40 AM.**

### **MEMBERS PRESENT**

Mr R Bagge  
Mr T Butcher (Vice-Chairman)  
Mr D Dhillon  
Mr A Hussain  
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 J Edwards, Pensions and Investments Manager  
Ms M Gibb, Head of Business Assurance  
Mr P Grady, Engagement Lead, Grant Thornton Auditors  
Ms S Harlock, Audit Manager  
Ms C High, Corporate Training Advisor  
Mr J Hollis, Head of Legal and Compliance, Buckinghamshire County Council,  
Buckinghamshire County Council  
Mr L Jeffries, Director of Operations  
Mrs S Murphy-Brookman, Director of HR and OD  
Mr I Murray, Manager - Assurance, Grant Thornton Auditors  
Ms G Naeem, Committee Assistant  
Ms J O'Neill, Resourcing Manager  
Mr A Rush, Interim Deputy Director of 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 B Bendyshe-Brown.

Changes in membership:

- Mr M Farrow had stepped down from the committee following his resignation.
- Mr P Grady, Grant Thornton, has stepped down from his role as Engagement Lead at Buckinghamshire County Council and had been replaced by Mr I Murray.

The Chairman acknowledged the support, guidance and assistance provided to the committee by Mr Grady.

The Committee welcomed Mr I Murray from Grant Thornton who will replace Mr Grady; and Mr A Rush, Deputy Director of Finance and Deputy Section 151 Officer who has replaced Mr R Schmitt.

## **2 DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **3 MINUTES**

The Chairman highlighted a grammatical error on page 6 that had been rectified following the meeting held on 12 September 2018.

**RESOLVED: The minutes of the meeting held on 12 September 2018 were AGREED as an accurate record and signed by the chairman.**

## **4 TREASURY MANAGEMENT UPDATE**

Mr A Hussain, Deputy Cabinet Member for Resources and Ms J Edwards, Pensions and Investment Manager attended the meeting to present the Treasury Management Update report and the Prudential Indicators for 2018/19 to 2021/22.

The report set out the following recommendation:

**The Committee RECOMMENDS to Council the Treasury Management Update Report and the Prudential Indicators for 2018/19 to 2021/22.**

Mr Hussain highlighted the following points:

- The council approved the 2018/19 Treasury Management Strategy at its meeting on 22 February 2018.
- The Council's investment priorities were the security of capital and liquidity of its investments.
- UK Consumer Price Inflation (CPI) for August 2018 rose to 2.7% year, above the consensus forecast.

- The Council had net borrowing of £216.2m arising from its revenue and capital income and expenditure.
- A repayment of £10m was due to be paid to the Public Works Loan Board (PWLB) on 14 February 2019.
- The Council had seven short term loans in place totalling £45m ranging in value from £5m to 15m, with maturities from 1 to 6 months.
- The Council may potentially purchase another commercial property, an increase in the Prudential Indicators was proposed to facilitate purchasing more commercial properties later this year.
- The Council pre-paid 3 LOBO loans, savings over the period of 25 years of £10.4m are projected.
- The committee raised and discussed the following points:
- The Chairman asked about the Treasury Management report recommendation rationale for delivering 2020/21 figures and if professional advice had been available in order to make decisions. Mr Hussain stated that they had been looking at long term borrowing options instead of short term options. It is a requirement to produce Prudential Indicators beyond one year and confirmed that professional advice had been taken to make these decisions.
- A member of the committee requested to see the comparison of loans to the revenue budget for better understanding. Mr Ambrose stated that as part of the Capital Strategy local indicators were being developed. Mr Ambrose suggested having a treasury management training session for Regulatory and Audit Committee members and other members. The chairman welcomed this suggestion.

**RESOLVED: The Committee RECOMMENDED to Council the Treasury Management Update: Report and the Prudential Indicators for 2018/19 to 2021/22.**

## **5 WHISTLEBLOWING POLICY**

Ms S Murphy-Brookman, Director of Human Resources & Organisational Development and Ms A Nichols, Lead Policy Consultant, attended the committee to present the Whistleblowing Policy.

Ms Nicholls highlighted the following points.

- The Whistleblowing policy was reviewed last year and there had been an increase in cases.
- The policies was promoted in the staff handbook, internet, intranet and referred to in the Code of Conduct policy. There were no cases carried forward from the previous year.
- Three cases had been dismissed as they were referred to safeguarding and anti-fraud.
- Ms Gibb stated that the policy was currently being reviewed.

The committee raised and discussed the following points:

The Chairman requested that going forward the committee were to be provided with data in the reports that would allow them to compare actions, no actions and items carried forward to allow members to understand the current position of the policy in line with expectations.

**ACTION Ms Nicholls**

The Chairman stated that the committee needed assurances from officers that they understood the policies they were managing and for staff to know who to approach when unsatisfied with the outcome.

**ACTION: Ms Gibb**

### **Recommendation**

**That the Regulatory and Audit Committee approved the Whistleblowing policies for Services and Schools.**

**RESOLVED: The Committee APPROVED the report.**

## **6 ANTI FRAUD AND CORRUPTION POLICY**

Ms Gibb, Head of Business Assurance and Chief Information Officer, stated that the Anti-Fraud and Corruption Policy had been subject to a light-touch interim review for approval by the Regulatory and Audit Committee. The Policy is subject to a full review alongside the Anti-Money Laundering and Whistleblowing Policies and would be presented to the Committee at their meeting in January.

**RESOLVED: The Committee APPROVED the updated Policy.**

**ACTION: Ms Naeem**

## **7 ANTI MONEY LAUNDERING POLICY**

Ms Gibb, Head of Business Assurance and Chief Information Officer, stated that the Anti-Money Laundering Policy had been subject to a light-touch interim review for approval by the Regulatory and Audit Committee. The Policy is subject to a full review alongside the Anti-Fraud and Whistleblowing Policies and would be presented to the Committee at their meeting in January.

**RESOLVED: The Committee APPROVED the updated Policy.**

**ACTION: Ms Naeem**

## **8 ANNUAL GOVERNANCE STATEMENT ACTION PLAN**

Ms M Gibb, Head of Business Assurance and Chief Internal Auditor presented the Annual Governance Statement action plan and gave the following mid-year updates:

- The action plan related to the 2017/18 Annual Governance Statement
- The plan had been presented to the committee in July 2018, where three significant weaknesses were identified. The committee were provided with assurances that these actions were being progressed.
- Contract Management – an update on the SRM improvement plan would go to the Risk Management group on 12 December 2018.

**ACTION: Ms Naeem**

- Technology Services had presented the new Smarter Bucks Strategy to the Finance and Resources Select Committee in November and this would go on to Cabinet for approval.
- Children’s Services - following the Ofsted inspection, the Executive Director of Children’s Services had provided a detailed progress on actions; Executive Director re-assured that the improvement plan was on track.

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

**9 MANDATORY TRAINING COMPLIANCE UPDATE**

Ms C High, Corporate Training Advisor and Ms J O’Neill Head of HR Consultancy attended the meeting to present the update.

Ms O’Neill highlighted the following points.

- Compliance trends over the last 3 years continued to improve, with this year’s performance better than last year and significantly higher level of compliance in the GDPR modules across the business units.
- The corporate mandatory training had been updated, with expiry dates for staff to refresh their training on a regular basis.
- Concerns were raised about the level of compliance in some areas although the current position was better than last year due to improved processes.
- Mandatory programme was repeated every 3 years.
- There had been a further 500 employees who had accessed the training and automatic reminders when training was overdue.
- All managers had a dashboard to view compliance for their direct reports and anyone who had not completed the training would be highlighted to the team manager.

Corporate Mandatory Training completion table.

<b>Business Unit</b>	<b>Completion Percentage</b>	<b>Against Target</b>	<b>90%</b>

Resources	98%	+ 8%
TEE	96%	+6%
CHASC	91%	+1%
CS	88%	-2%

The committee raised and discussed the following points:

The Chairman asked if the performance was better than July 2017. Ms O'Neill stated that it was better due to the additional processes in place.

A member of the committee stated that managers should be ensuring their team members were completing mandatory training. Ms High stated that eLearning was included as mandatory training in the induction pack.

A member of the committee commended that statistics had been moving in the right direction. Ms High stated that some staff still required face to face training, however eLearning was an efficient and effective way to carry out training and monitor progress. The committee were impressed with the improvement from 51% to 95% completion rate.

The Chairman stated that there were some concerns regarding the quality of the assessments if marks were low. The Chairman asked to see data included in the report to better understand the areas of low scores.

**ACTION: Ms O'Neill**

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

## **10 BUSINESS CONTINUITY MANAGEMENT UPDATE**

Mr L Jeffries, Director of Customer attended the meeting and highlighted the following points:

- Business Continuity Management (BCM) had been moving in the right direction.
- Work was being carried out with service areas in the red zone (2), with support to review provided by the Resilience team and training arranged for BCP lead officers.
- The Contract Management Application (CMA) had been updated in September 2018 to include BCM status; this would be enhanced by allowing contract managers to record their assessments.
- Prototype for emergency alerts had been tested successfully.

The committee raised and discussed the following points:

A member of the committee asked if benchmarking against other authorities had been achieved. Mr Jeffries stated that they had a good network and they had been finding out how other authorities were meeting their business continuity management.

Mr Jeffries stated that they were exploring use of digital solutions for Business Continuity Management.

The Chairman requested that going forward members would like to see a detailed breakdown for all the Service Areas.

**ACTION: Mr Jeffries**

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

## **11 2018/19 BUSINESS ASSURANCE UPDATE**

M Gibb, Head of Business Assurance and Chief Internal Auditor presented the update and highlighted the following points:

- The report provided an update on internal audit work.
- The next Risk Management Group (RMG) would be taking place on 12 December 2018 and the committee would be updated in the new year.

The committee raised and discussed the following points:

- The Chairman stated that some internal audit priorities had been assessed as low due to other ongoing activities.
- Mr Ambrose stated that renewal of Transport for Buckinghamshire (TfB) contract would be due in 2020 and the committee would like to ensure a smooth transition.
- It was noted that there was a lot of work to be undertaken collaboratively going forward.

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

## **12 FORWARD PLAN**

Ms Gibb, Head of Business Assurance and Chief Information Officer, stated that the Forward Plan was currently under review and would be presented to the committee at their meeting in January.

**ACTION: Ms Naeem**

## **13 DATE AND TIME OF NEXT MEETING**

The next meeting would be held on 30 January 2019 in the Mezzanine Room 1, County Hall Aylesbury Buckinghamshire.

## **14 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 1 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to an individual.

**15 CONFIDENTIAL MINUTES**

The Chairman stated that on Page 98 of the previous minutes there was an action for Mr Strevens which was completed at the Risk Management Group.

**RESOLVED: The Committee NOTED the amendment and AGREED the confidential minutes.**

**CHAIRMAN**