

## Regulatory and Audit Committee 20 November 2019

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# The Audit Findings for Buckinghamshire County Council

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**Year ended 31 March 2019**

**20 November 2019**



Agenda Item 4a

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## Your key Grant Thornton team members are:

Iain Murray

Key Audit Partner

T: 020 7728 3328

E: iain.g.murray@uk.gt.com

Simon Turner

Audit Manager

T: 0121 232 5273

E: simon.a.turner@uk.gt.com

Cherise Douglas

In-Charge Accountant

T: 020 7865 2488

E: cherise.a.douglas@uk.gt.com

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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Headlines

This table summarises the key findings and other matters arising from the statutory audit of Buckinghamshire County Council ('the Council') and the preparation of the Council's financial statements for the year ended 31 March 2019 for those charged with governance.

<p><b>Financial Statements</b></p>	<p>Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the Council's financial statements:</p> <ul style="list-style-type: none"> <li>• give a true and fair view of the financial position of the Council and the Council's income and expenditure for the year; and</li> <li>• have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.</li> </ul> <p>We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), Narrative Report and Pension Fund Financial Statements), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p>	<p>We are not yet in a position to issue an opinion on the Council's 2018/19 financial statements. There are several reasons for this, which are as follows:</p> <ul style="list-style-type: none"> <li>• Significant additional further work has been required by both the Council and ourselves in respect of the valuation of property, plant and equipment. Further details on this additional work, which remains underway, are included in the 'Significant findings – audit risks' section of our report</li> <li>• The 'Significant findings – audit risks (valuation of the pension fund net liability)' section of this report sets out the additional work we have had to perform in respect of the McCloud court case. The work on this matter has impacted on the progress of a number of areas of the audit, due to the additional time commitment required. This matter was outside the control of the Council and the court case was only finalised in June, after the accounts had been submitted for audit</li> <li>• The Financial Reporting Council who, from April 2019, now regulate public sector audit, have made clear their increased expectations in respect of audit work on pensions and the valuation of property, plant and equipment. This has increased the volume of work we've needed to do for bodies of your size</li> <li>• The additional work arising from the factors set out above, particularly the specialist pensions work, has increased our total workload. We have sought to avoid this impacting on the quality of the audit by retaining our use of specialist public sector audit individuals, rather than expanding the team to use non-specialists. Whilst we have sought to contain and absorb the additional work as much as possible, we also want to avoid untenable pressures on our auditors as well as your finance team</li> <li>• The draft financial statements submitted for audit in late May contained several inconsistencies. There were several figures in the Movement in Reserves Statement, Balance Sheet and the supporting notes which were different to one another, even though they should be the same. This issue was resolved in the version of accounts we received on 24 July 2019. Our audit work in this area has been delayed as a result.</li> <li>• The draft statements also included a cash flow statement which contained figures copied incorrectly from the prior year and did not agree to the cash figure on the balance sheet.</li> <li>• These errors have not proven to be material. They are indicative of challenges faced by the Council to produce financial statements by the 30 May deadline. Resolving these issues has taken time on the part of both the finance and audit teams. Appendix C to this report sets out in further detail the errors and misstatements we have identified.</li> <li>• Provision of adequate working papers and responses to audit queries were, on some occasions, slow in coming, particularly given the short timescale that we attempted to complete the audit in. There are a number of areas where, in our view, the working papers and evidence provided could be improved.</li> <li>• The process of agreeing all required amendments to the financial statements has not been without difficulty. We have, to date, received nine sets of draft financial statements for review and further adjustments are still required.</li> <li>• These challenges have been compounded by capacity challenges within the audit team and the extra work set out above.</li> </ul>
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# Headlines

## Financial Statements (continued)

This report contains all our findings to date which we need to report to you. We will need to provide you with an updated version of this document when our audit is substantially complete. We will provide the Council with a draft audit report opinion in this updated version.

## Value for Money arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report if, in our opinion, the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VFM) conclusion').

We have completed our risk based review of the Council's value for money arrangements. We have concluded that Buckinghamshire County Council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources, except for the matter we have identified in respect of children's services. We therefore anticipate issuing an 'except for' value for money conclusion. Our findings are summarised in the 'Value for money' section of this report.

## Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- To certify the closure of the audit.

We have not as yet exercised any of our additional statutory powers or duties

We have completed the majority of work under the Code and expect to be able to certify the completion of the audit when we give our audit opinion and have completed our work on the Whole of Government Accounts (WGA) consolidation pack

## Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

# Summary

## Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

## Audit approach

Our audit approach was based on a thorough understanding of the Council's business and is risk based, and in particular included:

- ↘ • An evaluation of the Council's internal controls environment, including its IT systems and controls;

- Controls testing of the Council's employee remuneration system; and
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

We have not had to alter or change our audit plan, as communicated to you on 4 April 2019.

## Conclusion

We have largely completed our audit of your financial statements. However, work remains underway in respect of the valuation of your plant, property and equipment. Further detail is provided on this in the 'Significant findings – audit risks' section of our report. Other outstanding items include:

- review of the cashflow statement
- receipt of management representation letter
- updating of our work on subsequent events ; and
- review of the final set of financial statements.

We will provide you with an updated version of this document when our audit is substantially complete.

## Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Our assessment of materiality, performance materiality and trivial matters has been updated to reflect the draft financial statements, and so the figures differ slightly from those reported to you in our audit plan. We detail in the table below our determination of materiality for Buckinghamshire County Council.

	Amount (£)
Materiality for the financial statements	17,524,000
Performance materiality	12,267,000
Trivial matters	876,000

# Significant findings – audit risks

Risks identified in our Audit Plan	Commentary
<p><b>1</b> Revenue includes fraudulent transactions</p>	<p><b>Auditor commentary</b></p> <p>We reported in our audit plan that we had considered the risk factors set out in ISA240 and the nature of your revenue streams and had determined that the risk of fraud arising from revenue recognition could be rebutted, because:</p> <ul style="list-style-type: none"> <li>• there is little incentive to manipulate revenue recognition as the majority of your income is derived from grants or formula based income from central government and tax payers;</li> <li>• opportunities to manipulate revenue recognition are very limited; and</li> <li>• the culture and ethical frameworks of local authorities, including Buckinghamshire County Council, mean that all forms of fraud are seen as unacceptable.</li> </ul> <p>Therefore we do not consider this to be a significant risk for your audit. Our assessment has not changed since we reported it to you in our audit plan.</p>
<p><b>2</b> Management override of controls</p>	<p><b>Auditor commentary</b></p> <p>We have:</p> <ul style="list-style-type: none"> <li>• evaluated the design effectiveness of management controls over journals;</li> <li>• analysed the journals listing and determined the criteria for selecting high risk unusual journals;</li> <li>• on a risk-based basis, tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration;</li> <li>• gained an understanding of the accounting estimates and critical judgements applied made by management and considered their reasonableness with regard to corroborative evidence; and</li> <li>• evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.</li> </ul> <p>Our testing identified several journals which were not authorised in line with the Council's procedures prior to them being posted. These covered areas such as payroll, school funding, loan transactions and acquisitions of investment properties. Whilst we are satisfied that this has not resulted in misstatements in the financial statements, action does need to be taken to ensure that the Council's authorisation procedures are followed for all journals. A recommendation has been included in the Action Plan in Appendix A in respect of this.</p>

# Significant findings – audit risks

Risks identified in our Audit Plan	Commentary
<p><b>3</b> Property, plant and equipment - valuation of land and buildings (rolling revaluation)</p>	<p><b>Auditor commentary</b></p> <p>We have:</p> <ul style="list-style-type: none"> <li>• evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;</li> <li>• evaluated the competence, capabilities and objectivity of the valuation expert;</li> <li>• written to the valuer to confirm the basis on which the valuation was carried out;</li> <li>• challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding;</li> <li>• tested revaluations made during the year to see if they had been input correctly into the your asset register; and</li> <li>• evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end.</li> </ul> <p>Our work in respect of this risk is currently underway. We have not been able to conclude this work to date because:</p> <ul style="list-style-type: none"> <li>• we are considering the further work that the Council has performed in respect of assets which were not revalued during the revaluation exercise performed for the production of the 2018/19 financial statements. The Council revalues its property, plant and equipment on a rolling basis over a five year period. This is a reasonable approach, but the Council still needs to demonstrate that the carrying value of assets which were not revalued in 2018/19 are not materially different to their fair value. In order to do this, the Council has revisited the valuation of these assets and has recently concluded that a material adjustment to the financial statements is required in respect of them. We are in the process of appointing a valuation expert to review the work that the Council has performed and are awaiting their report; and</li> <li>• we are awaiting the revaluation of the Council's Greatmoor Energy from Waste facility. This asset was last revalued in July 2016 and the Council has not been able to demonstrate that its fair value at 31 March 2019 is not materially different to its carrying value. The Council are therefore in the process of obtaining a revised valuation from its valuers. We will need to perform further audit procedures in respect of this valuation once it has been obtained by the Council.</li> </ul>

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# Significant findings – audit risks

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## Risks identified in our Audit Plan

## Commentary

### 4 Valuation of the pension fund net liability

#### Auditor commentary

We have:

- updated our understanding of the processes and controls put in place by management to ensure that your pension fund net liability is not materially misstated and evaluate the design of the associated controls;
- evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;
- assessed the competence, capabilities and objectivity of the actuary who carried out your pension fund valuation;
- assessed the accuracy and completeness of the information provided to the actuary to estimate the liability;
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary;
- undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and
- requested assurances on the controls in place for Buckinghamshire Pension Fund surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Our work in respect of this risk is complete. One of the key issues that has arisen during the audit is in respect of the McCloud judgement. The Court of Appeal has ruled that there was age discrimination in the judges and firefighters pension schemes where transitional protections were given to scheme members. The Government applied to the Supreme Court for permission to appeal this ruling, but this permission to appeal was unsuccessful. The case will now be remitted back to employment tribunal for remedy. The legal ruling around age discrimination (McCloud - Court of Appeal) has implications for pension schemes where they have implemented transitional arrangements on changing benefits.

Discussion is ongoing in the sector regarding the potential impact of the ruling on the financial statements of Local Government bodies. The Council has requested an estimate from its actuary of the potential impact of the McCloud ruling. The actuary's estimate was of a possible increase in pension liabilities of £9,361k at 31 March 2019.

Management have decided to amend the financial statements to recognise this increased liability. We have reviewed the analysis performed by the actuary, and consider that the approach that has been taken to arrive at this estimate is reasonable.

# Significant findings – audit risks

## Risks identified in our Audit Plan

## Commentary

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### Valuation of the pension fund net liability

### Auditor commentary

A second issue that has arisen is in respect of and equalisation of Guaranteed Minimum Pension (GMP) benefits between males and females. In March 2016, in order to ensure a smooth transition to the new single-tier State Pension and equalisation of Guaranteed Minimum Pension (GMP) benefits between males and females, the Government introduced an 'interim solution' in respect of those members of public service schemes who reach State Pension age (SPA) between 6 April 2016 and 5 December 2018, whereby the GMP earned by these members in public service received full inflationary increases from public service pension schemes. In January 2018, the Government decided to extend this interim solution for a further 2 years, i.e. to members who reach their SPA between 6 December 2018 and April 2021

Our understanding is that Barnett Waddingham have allowed for the interim solution to 5 December 2018 in their IAS 19 valuation and have included an allowance for potential allowances post 2021. We have obtained a view from our internal actuary, who has confirmed that:

- the interim solution should be allowed for until April 2021
- it is not appropriate to allow for potential allowances post 2021 at this stage as the liabilities have not yet been triggered.

Our estimate of the impact of this is as follows:

- there is an understatement in respect of the 28 month period from 5 December 2018 to 6 April 2021. We estimate that this would be approximately a 0.05% understatement of the gross liability
- there is an overstatement in respect of post 2021 allowances. We estimate that this would be approximately 0.2% of the gross liability

The net impact is an overstatement of 0.15% of the gross liability, which we estimate to be £2,352k

Management agree with the approach that their actuary has taken and are of the view that the impact of this issue is not material to the Council. We have satisfied ourselves that there is not a risk of material error as a result of this issue. We also acknowledge the significant uncertainties relating to the estimation of the impact on the Council's liability. We have included this as an uncertainty within Appendix C.

Other than the matters reported above, we have not identified any issues in respect of the valuation of the pension fund net liability.

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# Significant findings - other issues

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan and a summary of any significant control deficiencies identified during the year.

Issue	Auditor view
<p>1 The Council identified an immaterial error in the prior year statements in respect of the Movement in Reserves Statement. This error should have been corrected within the 2018/19 financial statements but was corrected through an adjustment to opening balances.</p>	<p>We are satisfied that this is not indicative of a material error in the financial statements. However, the Council should ensure that they put processes in place to correctly account for all transactions that affect the Movement in Reserves Statement. This recommendation has been included in the Action Plan at Appendix A.</p>
<p>2 Our testing found that there were 144 assets for which depreciation had been calculated manually. Testing found that for each of these assets the useful expected life (UEL) of the asset was incorrect by 1 year, which resulted in an incorrect depreciation charge.</p>	<p>The cumulative impact of this error was trivial, but it does identify a weakness in the Council's controls. The Council should ensure that manually depreciated assets are depreciated using the correct UEL by putting controls in place to ensure that the depreciation charge and UELs are checked before the charge is entered into the ledger. This recommendation has been included in the Action Plan at Appendix A.</p>
<p>3 Note 29 discloses transactions in respect of the Better Care Fund (BCF). This note discloses expenditure incurred in respect of the BCF by district councils of £3,231k. The Council has passed these funds on to the district councils but does not have any controls in place to ensure that the district councils have used these funds for the BCF.</p>	<p>The Council should put arrangements in place which enables them to obtain assurance from the district councils that funding provided in respect of the BCF has been used for that purpose. This recommendation has been included in the Action Plan at Appendix A.</p>

# Significant findings – key judgements and estimates

	Summary of management's policy	Audit comments	Assessment
13	<p><b>Valuation of land and buildings</b></p> <p>The Council owns a variety of land and buildings, which were initially valued at £823 million in the financial statements. In addition, it has investment properties valued at £193 million as at that date. The Council values its land and buildings at existing in use value, except for those which are of a specialised nature, such as schools, which are required to be valued at depreciated replacement cost. Investment properties are valued at highest and best use. The Council has engaged Carter Jonas to value its land and buildings and Cushman and Wakefield to value its investment properties. The Council requests the valuers to revalue all land and buildings over a five year period, while all investment properties are revalued annually.</p>	<p>Our work has not identified any issues in respect of the objectivity, capability or competence of the valuers engaged by the Council.</p> <p>Our testing in respect of the completeness and accuracy of source data provided to the valuer by the Council remains underway as there are some audit queries to be resolved.</p> <p>As noted earlier in our report, the Council has recently revisited the valuation of its land and buildings and has concluded that a material adjustment to the financial statements is required to ensure that the carrying value of these assets is not materially different to their fair value. This exercise was required because the Council revalues its property, plant and equipment on a rolling basis over a five year period. This is a reasonable approach but it increases the risk that, over time, a material difference arises between the fair value of the assets and their carrying value. We are in the process of appointing a valuation expert to review the work that the Council has performed and are awaiting their report.</p> <p>In addition, we are awaiting the revaluation of the Council's Greatmoor Energy from Waste facility. This asset was last revalued in July 2016 and the Council has not been able to demonstrate that its fair value at 31 March 2019 is not materially different to its carrying value. The Council are therefore in the process of obtaining a revised valuation from its valuers. We will need to perform further audit procedures in respect of this valuation once it has been obtained by the Council. An amendment has been made to Note 15 'Property, Plant and Equipment' in respect of Greatmoor. This is detailed further in Appendix C ('Audit Adjustments').</p>	<p>Our work in respect of this risk is currently underway. We will report our overall assessment when it is complete.</p>

## Assessment

- We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- We consider management's process is appropriate and key assumptions are neither optimistic or cautious

# Significant findings – key judgements and estimates

	Summary of management's policy	Audit comments	Assessment																		
14	<p><b>Net pension liability – £753m</b></p> <p>The Council's net pension liability at 31 March 2019 is £753m (PY £783m) comprising the Council's share of the net liabilities of the Buckinghamshire County Council Pension Fund and unfunded defined benefit pension scheme obligations. The Council uses Barnett Waddingham to provide actuarial valuations of the Council's assets and liabilities. A full actuarial valuation is required every three years. The latest full actuarial valuation was completed in 2016. A roll forward approach is used in intervening periods, which utilises key assumptions such as life expectancy, discount rates, salary growth and investment returns. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. The net pension liability has reduced by £30m during 2018/19, prior to the adjustments referred to in the 'Significant findings – audit risks' section of our report being made.</p>	<ul style="list-style-type: none"> <li>The Council has used Barnett Waddingham as their actuary and so we gained an understanding of their competence, capabilities and objectivity in providing the valuations required by the Council in respect of the pension fund net liability at 31 March 2019</li> <li>We have reviewed the assumptions made by the actuary when estimating the pension fund net liability to confirm their reasonableness. We made use of PwC, as an auditor's expert, to obtain assurance in this area. A summary of the work performed is in the table below.</li> </ul> <table border="1"> <thead> <tr> <th>Assumption</th> <th>Actuary Value</th> <th>Assessment</th> </tr> </thead> <tbody> <tr> <td>Discount rate</td> <td>2.4%</td> <td>●</td> </tr> <tr> <td>Pension increase rate</td> <td>2.4%</td> <td>●</td> </tr> <tr> <td>Salary growth</td> <td>3.9%</td> <td>●</td> </tr> <tr> <td>Life expectancy – Males currently aged 45 / 65</td> <td>24.6 years</td> <td>●</td> </tr> <tr> <td>Life expectancy – Females currently aged 45 / 65</td> <td>26.6 years</td> <td>●</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>We have undertaken procedures to confirm the reasonableness of the Council's share of Buckinghamshire County Council Pension Fund's assets and did not identify any issues.</li> <li>Subject to the issues reported separately in respect of the McCloud judgement and GMP equalisation, we are satisfied that the Council's key judgements and estimates in respect of the pension fund net liability are reasonable.</li> </ul>	Assumption	Actuary Value	Assessment	Discount rate	2.4%	●	Pension increase rate	2.4%	●	Salary growth	3.9%	●	Life expectancy – Males currently aged 45 / 65	24.6 years	●	Life expectancy – Females currently aged 45 / 65	26.6 years	●	 <b>Green</b>
Assumption	Actuary Value	Assessment																			
Discount rate	2.4%	●																			
Pension increase rate	2.4%	●																			
Salary growth	3.9%	●																			
Life expectancy – Males currently aged 45 / 65	24.6 years	●																			
Life expectancy – Females currently aged 45 / 65	26.6 years	●																			

## Assessment

- We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- We consider management's process is appropriate and key assumptions are neither optimistic or cautious

# Going concern

## Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

## Going concern commentary

### Management's assessment process

Your management have assessed that the establishment of the new unitary authority, Buckinghamshire Council, on 1st April 2020 does not alter your going concern assumption for Buckinghamshire County Council. In making this assessment management have had regard to paragraphs 2.1.2.6 and 3.4.2.23 of the CIPFA Code of Practice on Local Authority Accounting 2018/19, which state that transfers of services under combinations of public sector bodies (such as local government reorganisation) do not negate the presumption of going concern.

Management's assessment that the Council remains a going concern is also based on the Council having a balanced budget in place for 2019/20, which will be the final year of its existence. The Council have also prepared a medium term financial plan for the period up to 2022/23. This plan has been prepared so that the new council begins with the best possible understanding of its future challenges and opportunities.

### Work performed and auditor commentary

We agree with management's assessment that the establishment of the new unitary authority on 1st April 2020 does not alter your going concern assumption for Buckinghamshire County Council.

We have reviewed the Council's budget for 2019/20 and its medium term financial plan. This work has not identified any issues which would require us to challenge management's assessment that the council is a going concern.

We have not identified a material uncertainty related to going concern. However, the 'General Notes to the Statement of Accounts' (Assumptions made about the Future and Other Major Sources of Estimation Uncertainty) have been amended to include additional disclosure in respect of the establishment of the unitary council. We will include an 'emphasis of matter' in our audit opinion in respect of this disclosure because of its significance. This 'emphasis of matter' is not a qualification of the opinion.

## Concluding comments

### Auditor commentary

We have concluded that management's assessment that the Council remains a going concern is reasonable and there are no material uncertainties that we need to report. We will include an 'emphasis of matter' in respect of the establishment of the unitary council in our audit opinion.

## Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
① <b>Matters in relation to fraud</b>	<ul style="list-style-type: none"> <li>We have previously discussed the risk of fraud with the Regulatory and Audit Committee. We have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit procedures.</li> </ul>
② <b>Matters in relation to related parties</b>	<ul style="list-style-type: none"> <li>Adjustments made in respect of related parties are detailed further in Appendix C</li> <li>We are not aware of any related parties or related party transactions which have not been disclosed</li> </ul>
③ <b>Matters in relation to laws and regulations</b>	<ul style="list-style-type: none"> <li>You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.</li> </ul>
④ <b>Written representations</b>	<ul style="list-style-type: none"> <li>A letter of representation will be requested from the Council. We will provide a copy of this letter when it has been drafted. The letter cannot be drafted until the audit is substantially complete.</li> </ul>
⑤ <b>Confirmation requests from third parties</b>	<ul style="list-style-type: none"> <li>We requested from management permission to send confirmation requests to third parties with whom the Council has cash, loans and investments. All required confirmation requests were received.</li> </ul>
⑥ <b>Disclosures</b>	<ul style="list-style-type: none"> <li>Our review identified a number of disclosures that needed to be added to the financial statements. These are set out in more detail in Appendix C.</li> </ul>

# Other responsibilities under the Code

Issue	Commentary
① <b>Other information</b>	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement, Narrative Report and Pension Fund Financial Statements), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>Inconsistencies have been identified but have been adequately rectified by management. We plan to issue an unmodified opinion in this respect</p>
② <b>Matters on which we report by exception</b>	<p>We are required to report on a number of matters by exception in a numbers of areas:</p> <ul style="list-style-type: none"> <li>• If the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the other information of which we are aware from our audit</li> <li>• If we have applied any of our statutory powers or duties</li> </ul> <p>We have nothing to report on these matters</p>
③ <b>Specified procedures for Whole of Government Accounts</b>	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>As the Council exceeds the specified group reporting threshold of we examine and report on the consistency of the WGA consolidation pack with the Council's audited financial statements. This work has not yet been completed.</p>
④ <b>Certification of the closure of the audit</b>	<p>We will certify the closure of the 2018/19 audit of Buckinghamshire County Council when our audit is complete.</p>

# Value for Money

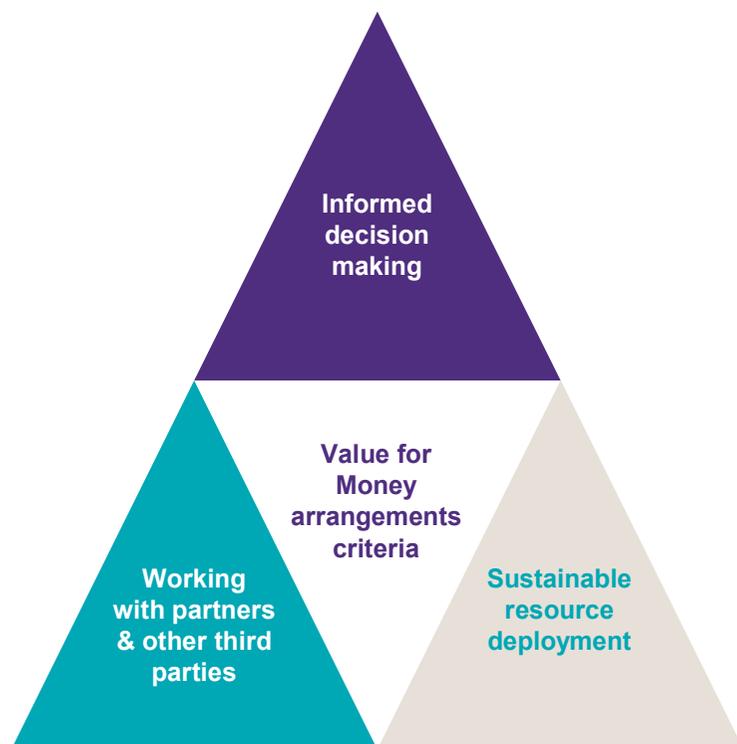
## Background to our VFM approach

We are required to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Council. In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2017. AGN 03 identifies one single criterion for auditors to evaluate:

*"In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people."*

This is supported by three sub-criteria, as set out below:



## Risk assessment

We carried out an initial risk assessment in October 2018 and identified a number of significant risks in respect of specific areas of proper arrangements using the guidance contained in AGN03. We communicated these risks to you in our Audit Plan dated March 2019.

We have continued our review of relevant documents up to the date of giving our report, and have not identified any further significant risks where we need to perform further work.

We carried out further work only in respect of the significant risks we identified from our initial and ongoing risk assessment. Where our consideration of the significant risks determined that arrangements were not operating effectively, we have used the examples of proper arrangements from AGN 03 to explain the gaps in proper arrangements that we have reported in our VFM conclusion.

# Value for Money

## Our work

AGN 03 requires us to disclose our views on significant qualitative aspects of the Council's arrangements for delivering economy, efficiency and effectiveness.

We have focused our work on the significant risks that we identified in the Council's arrangements. In arriving at our conclusion, one of our key areas of focus has been your arrangements for ensuring economy, efficiency and effectiveness in respect of children's services.

In January 2018, Ofsted issued a report on the re-inspection of services for children in need of help and protection, children looked after and care leavers. Ofsted rated the services as 'inadequate', which was the same rating given by Ofsted following their previous inspection in 2014. Since the date of that re-inspection, Ofsted have performed two further monitoring visits in July 2018 and December 2018. In reaching our conclusion, we have had regard to Ofsted's January 2018 re-inspection report and the two reports they issued following their monitoring visits. These form the principal evidence base for our conclusion.

We have concluded that the outcomes of Ofsted's re-inspection of children's services and their further monitoring visits are evidence of weaknesses in proper arrangements for:

- understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management
- planning, organising and developing the workforce effectively to deliver strategic priorities.

The basis of our conclusion is set out in more detail in the 'Key findings' section below. This section also reports the results of our work on other significant risks, which have not resulted in a qualification of the value for money conclusion.

## Overall conclusion

Based on the work we performed to address the significant risks, except for the matter we identified in respect of children's services, the Council had proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We therefore propose to give an 'except for' conclusion, which is a qualified conclusion.

## Significant difficulties in undertaking our work

We did not identify any significant difficulties in undertaking our work on your arrangements which we wish to draw to your attention.

## Significant matters discussed with management

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

## Key findings

We set out below our key findings against the significant risks we identified through our risk assessment.

20

### Significant risk

#### 1 Ofsted inspection of children's services

- Ofsted issued a report on your children's services in January 2018 which gave you a rating of 'inadequate'.
- We have reviewed progress made in implementing the changes to your arrangements requested by Ofsted. We have also considered your performance against your internal objectives and targets in delivering a safe and reliable children's service.

### Findings and conclusion

#### Findings

Ofsted undertook a re-inspection of your services for children in need of help and protection in November 2017. Their report, published in January 2018, concluded:

*"Overall progress in improving services for children in Buckinghamshire since the last inspection in 2014 has been inconsistent and too slow. The strategic response to change has been piecemeal and has not successfully achieved the required wholesale improvements to services for vulnerable children. Consequently, at this inspection inspectors found serious shortfalls in some parts of the service, which led to services for children in need of help and protection and for children looked after being judged inadequate".*

Ofsted did note some areas of improvement since the previous inspection, with adoption performance receiving a rating of 'good', while Ofsted also commented that children are a top priority for the Council and that significant financial investment has been made in services for children and their families.

As a result of the outcome of the re-inspection, the Department for Education issued a statutory direction under section 497A(4B) of the Education Act 1996 to appoint a commissioner to undertake a review of your capacity to make the required changes to children's services. John Coughlan, the Chief Executive of Hampshire County Council, was appointed as the commissioner to undertake this review. On 12 July 2018, it was announced that the Department for Education had considered and accepted the commissioner's conclusion that you should retain responsibility for provision of children's services in Buckinghamshire. The Department also appointed Hampshire County Council as the improvement advisers to support your children's improvement programme.

Members and senior officer have accepted the shortfalls identified by Ofsted and have acted swiftly to start addressing them. Prior to the inspection, the Council appointed a new director of children's services and cabinet member. Since then, the Council has made significant changes in the senior management structure of children's services and made a significant financial investment in the services. As a result, the Council now believes that children's services have sufficient funding and resources to tackle the issues identified by Ofsted. The Council has also restructured its Improvement Board arrangements for providing oversight and challenge of the improvement plan.

Ofsted's first post-inspection monitoring visit was undertaken on 3 and 4 July 2018 and focused on children in need. They reported positively in respect of the following:

- from a very low base, the council is making some early progress in improving services for children and young people who are the subject of a child in need plan
- senior leaders have a clear and well-informed understanding of the significant weaknesses in the quality of work with children in need

## Key findings

We set out below our key findings against the significant risks we identified through our risk assessment.

1	Significant risk	Findings and conclusion
21	Ofsted inspection of children's services	<ul style="list-style-type: none"> <li>• plans to improve practice are credible and well devised</li> <li>• senior managers are strongly committed to moving forward at a realistic pace and are determined to achieve rapid and sustainable improvements in children's circumstances and outcomes</li> <li>• social workers reported an awareness of a developing learning culture and most said that they feel supported and 'heard' through the process of change.</li> <li>• senior managers have recently undertaken a widespread review of children subject to child in need plans to ensure that children are receiving support at the appropriate level of intervention. In most cases reviewed by inspectors, children were receiving the right level of help based on their needs.</li> </ul> <p>However, Ofsted also noted that further progress was still needed, as follows:</p> <ul style="list-style-type: none"> <li>• improvements are in their infancy. There is much more to do before the substantial number of children who are subject to child in need plans all receive support which is effective in helping them to overcome the neglect and poor parenting they experience in their day-to-day lives</li> <li>• caseloads are too high, which limits the time that social workers have available to spend working directly with children and their families. This, in turn, reduces their ability to build trusting relationships with families that will provide the basis for challenge, support and positive change</li> <li>• the quality and impact of management oversight and supervision are too variable: managers do not consistently support and assist social workers to evaluate and build an improved understanding of the needs of children. This reduces the progress that children make. Frequent changes of managers in some parts of the service have further impeded improvements</li> <li>• senior managers are introducing a learning and reflective approach as an integral part of case auditing and quality assurance. While this is a positive new initiative, it is too soon to identify what impact it is having on supervision and practice.</li> </ul> <p>Ofsted's second post-inspection monitoring visit was undertaken on 11 and 12 December 2018 and focused on progress made in respect of the arrangements for supporting children in need of protection. They reported positively in respect of the following:</p> <ul style="list-style-type: none"> <li>• leaders have continued to respond purposefully to the critical weaknesses in services for children in need of help and protection</li> <li>• the senior leadership team continues to maintain a clear focus on how best to improve children's services and have the political support to deliver this. They have an accurate understanding of the extent of the challenge and a realistic improvement plan in place to address this. They are focusing attention on the things that matter most and recognise that their greatest challenge is to stabilise the workforce.</li> </ul>

## Key findings

We set out below our key findings against the significant risks we identified through our risk assessment.

Significant risk	Findings and conclusion
<p>1 <b>Ofsted inspection of children's services</b></p>	<p>However, Ofsted also noted that further progress was still needed, as follows:</p> <ul style="list-style-type: none"> <li>• leaders' work to tackle quality, performance and capability issues has resulted in a high turnover of staff, in social worker and managerial positions. This has created considerable shortfalls in capacity in some parts of the service, leading to high caseloads. Some children's cases are allocated to managers, and the children are visited by duty social workers, while waiting allocation to a social worker. This makes it difficult for children to build meaningful relationships with social workers</li> <li>• work to strengthen the quality of practice and ensure greater compliance with basic practice standards is beginning to show some early signs of improvement in some parts of the service. There remains too much variability in the quality of assessment, planning and intervention. The impact of this is that some children do not receive the help, protection and support they need.</li> </ul> <p><b>Conclusion</b></p> <p>The Council is working hard to address the issues raised by Ofsted in its 2018 re-inspection report. The two further monitoring visits performed by Ofsted in 2018 provide evidence that progress is being made, but there is still work to be done.</p> <p>Ofsted's 'inadequate' rating of children's services remains in place and there is not sufficient evidence from Ofsted's two further monitoring visits that the issues raised in their re-inspection report have been fully addressed.</p> <p>We have therefore concluded that the Council does not have adequate arrangements for achieving economy, efficiency and effectiveness in relation to children's services.</p>

## Key findings

We set out below our key findings against the significant risks we identified through our risk assessment.

Significant risk	Findings and conclusion
<p><b>2 Transformation of adult social care services</b></p> <ul style="list-style-type: none"> <li>You are currently transforming the way that adult social care is delivered in Buckinghamshire through greater health and social care integration and the implementation of your “Better Lives” strategy</li> <li>We have reviewed progress made in implementing the changes to your arrangements.</li> </ul>	<p><b><u>Findings</u></b></p> <p>In April 2018, the Council launched its ‘Better Lives Strategy’ which aims to help people:</p> <ul style="list-style-type: none"> <li>live independently</li> <li>regain control of their independence</li> <li>live with support but as independently as possible.</li> </ul> <p>The Council has developed a Project Management Office function to provide the operational capacity to deliver the strategy. A Programme Plan has also been prepared, which sets out actions for each of the areas of the programme along with a clear timeline for their implementation. To provide oversight over the implementation of the transformation programme, the Council has formed an Adult Social Care Programme Board to meet on a monthly basis provide the overarching governance and decision-making framework for the programme. The Programme Board has a clearly defined remit, which includes providing robust challenge and scrutiny over all elements of the programme, resolving conflicts between the programme and business as usual, and ensuring co-ordination with the delivery of the Medium-Term Financial Plan and agreed savings targets. The Programme Board provides regular updates on progress to the Corporate Management Team and is also subject to oversight by the Health and Adult Social Care Select Committee. To support the Transformation Programme, the Council have developed a dashboard aligned to the Quality, Service Improvement Redesign (QSIR) principles that they have implemented across the Council. QSIR has a focus on service improvement and is delivered to a range of health and social care staff. The dashboard includes indicators, which evidence the short and medium-term impact of the programme and is updated and presented at monthly and quarterly meetings to develop a deep understanding of performance, challenges and remedial actions. The transformation programme is well underway, with evidence of service users and staff being consulted on proposed changes to service delivery arrangements. The Council has also performed well against its target for admissions of older people (65+) into residential and nursing care per 100,000 of population during 2018/19.</p> <p><b><u>Conclusion</u></b></p> <p>The Council has been able to demonstrate that it is making progress in respect of its transformation of adult social care services. We have concluded that the risk has been mitigated and so there is no need for us to consider qualifying our value for money conclusion in respect of the transformation of adult social care services.</p>

## Key findings

We set out below our key findings against the significant risks we identified through our risk assessment.

Significant risk	Findings and conclusion
<p data-bbox="53 379 107 411">3</p> <p data-bbox="165 368 398 394"><b>Funding pressures</b></p> <ul data-bbox="165 416 651 826" style="list-style-type: none"> <li data-bbox="165 416 651 659">• In light of the increasing funding pressures that you face, there is a risk that you will not be able to generate new revenue streams or deliver savings of sufficient scale to maintain a balanced budget over the period covered by the Medium Term Financial Plan</li> <li data-bbox="165 676 651 826">• We have reviewed recent performance against the budget and considered the reasonableness of the assumptions upon which the Medium Term Financial Plan is based.</li> </ul>	<p data-bbox="689 368 797 394"><b><u>Findings</u></b></p> <p data-bbox="689 416 2018 691">A new, unitary council for Buckinghamshire is due to begin formal operation on 1st April 2020. Whilst the current County Council will cease to exist in its current form from 1st April 2020, you are still making plans for 4 years so that the new council begins with the best possible understanding of its future challenges and opportunities. The budget that was prepared by the Council and approved in February 2019 is a four-year budget covering 2019/20 to 2022/23. The four-year budget shows a balanced position throughout this period. However, the scale of the financial challenges faced over the medium term remains challenging. The Council's Revenue Support Grant has now reduced to zero (compared to £41m in 2015/16). The Council has performed well so far in making savings in response to continuing reductions in central government funding. However, delivering additional savings in future will be a continuing challenge.</p> <p data-bbox="689 708 2018 983">Council Tax has increased by 2.99% for the County in 2019/20, with a 0% Social Care Precept. There is also an increase in the Council Tax base of 1.28%, which means that Council Tax income will increase by 4.27% between 2018/19 and 2019/20. The Council has lost all top-up grant for 2019/20, which means a loss of income of £27.5m compared to the prior year. However, the increased income from retained business rates provides an additional £32m of income compared to the prior year. Overall, income has increased by £18m from the prior year, which is an increase of 5.3%. The Council's spending plans have increased in line with the rise in its income and the savings it plans to make. The assumptions made in respect of savings plans appear to be prudent. The Children's Social Care budget has increased by 17% from the prior year, while the planned use of reserves has increased by £9m from the prior year (£5m of the increase will come from earmarked reserves and £4m from non-earmarked reserves).</p> <p data-bbox="689 1000 2018 1147">The Council recorded an underspend of £0.2m against its revenue budget in 2018/19. There has continued to be strong pressures on the demand-led budgets for children's social care and health and wellbeing, which overspent. However, the Council were able to make savings in other areas, such as corporate costs, planning and environment and treasury management and capital financing, as well as generating additional funding, in order to deliver the overall underspend.</p> <p data-bbox="689 1165 2018 1286">As a result of the outturn position, the General Fund balance stands at £26.4m as at 31 March 2019, which represents 7.4% of the Council's net budget for 2019/20. This is not a significant level of reserves compared to historic reserves, but the Council's view that they should be sufficient to enable them to withstand any demand-led shocks within the period of its medium-term financial plan is reasonable.</p> <p data-bbox="689 1303 831 1329"><b><u>Conclusion</u></b></p> <p data-bbox="689 1347 2018 1468">The Council has delivered a balanced budget in 2018/19 and has a medium term financial plan which shows a balanced financial position until 2022/23, though significant challenges remain in respect of demand-led services such as children's services and adult social care. We have concluded that the risk has been mitigated and so there is no need for us to consider qualifying our value for money conclusion in respect of your funding pressures.</p>

## Key findings

We set out below our key findings against the significant risks we identified through our risk assessment.

25

### Significant risk

4

#### Creation of a unitary authority in Buckinghamshire

- In April 2020, your services and those of the four Buckinghamshire district councils are due to transfer to a new unitary authority. You are working closely with your district council colleagues to prepare for this transition.
- We have reviewed your programme, planning and risk management arrangements that you have put in place to prepare for this transition.

### Findings and conclusion

#### Findings

The Council has been developing detailed programme planning arrangements to manage the transition to the new council in conjunction with the district councils. This planning work was underway in 2018/19 and a Shadow Authority has since been established, which will undertake specific functions associated with the creation of the new council, including setting a 2020/21 budget and council tax for the new council. Three interim officer posts have been created under the Shadow Authority (Head of Paid Service, Chief Finance Officer and Monitoring Officer), which have now been filled. A Shadow Executive was also created at the same time as the Shadow Authority, consisting of the Leader of the County Council, eight members nominated by the County Council and two members nominated by each of the four District Councils. The Shadow Authority and Shadow Executive will be replaced by the cabinet and council for the new council following the planned elections in May 2020.

Beneath the Shadow Executive is the Chief Executives' Implementation Group, and then Boards covering the following service areas:

- Resources
- Communities
- Housing, Growth and Economy
- Adults' Transformation
- Children's Transformation

A programme management office has been established and officers have been appointed to it from across the county and district councils. Work is underway on the supporting processes for the programme, including management of the implementation budget and risk management processes. Some of the initial high-level programme risks that have been identified include:

- recruitment and retention of key staff
- capacity across the five councils
- staff focus and/or motivation and morale during transition period
- engagement and communication with partners and key stakeholder
- failure to understand full statutory/non-statutory responsibilities of merging authorities.

#### Conclusion

The transfer to the new council is at an early stage, but you have been able to demonstrate progress in key areas. We have not identified any issues which would result in us needing to consider whether we should qualify our value for money conclusion in respect of the creation of a unitary authority in Buckinghamshire.

# Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements. We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 which sets out supplementary guidance on ethical requirements for auditors of local public bodies. Details of fees charged are detailed in Appendix D.

## Audit and Non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The following non-audit services were identified:

Service	Fees £	Threats	Safeguards
<b>Audit related</b>			
Teachers Pensions certification (in respect of 2017/18)	£7,500	Self-Interest (because this is a recurring fee) Self-review Management	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work was £7,500 in comparison to the total fee for the audit of £66,066 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors mitigate the perceived self-interest threat to an acceptable level. The perceived self-review threat is mitigated by the fact that the work is performed after the audit is completed. The perceived management threat is mitigated by the fact that the Council has informed management in place who make their own decisions on whether any changes are to be made to the entries on the return.
Teachers Pensions certification (in respect of 2018/19)	£7,500	Self-Interest (because this is a recurring fee) Self-review Management	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work was £7,500 in comparison to the total fee for the audit of £66,066 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors mitigate the perceived self-interest threat to an acceptable level. The perceived self-review threat is mitigated by the fact that we have already performed sufficient work in respect of teachers pension entries in the financial statements as part of our audit. The perceived management threat is mitigated by the fact that the Council has informed management in place who make their own decisions on whether any changes are to be made to the entries on the return. Please note that the fee for this work is not disclosed in Note 27 to the financial statements ('External audit costs') as the Council did not accrue for this item of expenditure.
Education and Skills Funding Agency certification (in respect of 2017/18)	£4,000	Self-Interest (because this is a recurring fee) Self-review Management	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £4,000 in comparison to the total fee for the audit of £66,066 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors mitigate the perceived self-interest threat to an acceptable level.  The perceived self-review threat is mitigated by the fact that the work is performed after the audit is completed. The perceived management threat is mitigated by the fact that the Council has informed management in place who make their own decisions on whether any changes are to be made to the entries on the return.

## Non-audit related

No non-audit related services have been provided to you by Grant Thornton UK LLP for the year ended 31 March 2019.

These services are consistent with the Council's policy on the allotment of non-audit work to your auditors. All services have been approved by the Regulatory and Audit Committee. None of the services provided are subject to contingent fees.

# Action plan

We have identified four recommendations for the Council as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2019/20 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

	Assessment	Issue and risk	Recommendations
1	●	<ul style="list-style-type: none"> <li>Our testing identified several journals which were not authorised in line with the Council's procedures prior to them being posted (see page 6). The risk is that erroneous journals are posted which results in material misstatement of the Council's financial statements</li> </ul>	<ul style="list-style-type: none"> <li>Management should reissue clear guidance to all officers that post journals which sets out the Council's journal authorisation procedures. Management should then monitor application of these procedures and take appropriate action if individual officers do not act in accordance with them.</li> </ul> <p><b>Management response</b></p> <ul style="list-style-type: none"> <li>Journals guidance to be re issued to all users, reiterating the importance of the approval process and the need to adhere to this.</li> <li>Journals monthly monitoring to ensure a focus on journals approvals. Follow ups and escalation to line management and Heads of Finance to happen if the approval process has not been followed.</li> </ul>
27	●	<ul style="list-style-type: none"> <li>The Council identified an immaterial error in the prior year statements in respect of the Movement in Reserves Statement. This error should have been corrected within the 2018/19 financial statements but was corrected through an adjustment to opening balances (see page 10).</li> </ul>	<ul style="list-style-type: none"> <li>Management should ensure that they put processes in place to correctly account for all transactions that affect the Movement in Reserves Statement.</li> </ul> <p><b>Management response</b></p> <ul style="list-style-type: none"> <li>Journals that effect the Movement in Reserves Statement to be reviewed and approved by the Technical Accountant in advance of processing, to ensure the correct accounting treatment is being applied</li> </ul>
3	●	<ul style="list-style-type: none"> <li>Our testing found that there were 144 assets for which depreciation had been calculated manually. Testing found that for each of these assets the useful expected life (UEL) of the asset was incorrect by 1 year, which resulted in an incorrect depreciation charge (see page 10).</li> </ul>	<ul style="list-style-type: none"> <li>Management should ensure that manually depreciated assets are depreciated using the correct UEL by putting controls in place to ensure that the depreciation charge and UELs are checked before the charge is entered into the ledger</li> </ul> <p><b>Management response</b></p> <ul style="list-style-type: none"> <li>Before any manual depreciation is entered into SAP a full review will be carried out by the Technical Accountant to ensure the correct useful life has been applied.</li> </ul>
4	●	<ul style="list-style-type: none"> <li>Note 29 discloses transactions in respect of the Better Care Fund (BCF). This note discloses expenditure incurred in respect of the BCF by district councils of £3,231k. The Council has passed these funds on to the district councils but does not have any controls in place to ensure that the district councils have used these funds for the BCF (see page 10).</li> </ul>	<ul style="list-style-type: none"> <li>The Council should put arrangements in place which enables them to obtain assurance from the district councils that funding provided in respect of the BCF has been used for that purpose.</li> </ul> <p><b>Management response</b></p> <ul style="list-style-type: none"> <li>We will communicate with the District Councils to detail out the information requirements in relation to the Better Care Funding spending. We will add follow up tasks in to our closing timetable to ensure this information is requested at the end of the year.</li> </ul>

#### Controls

- High – Significant effect on control system
- Medium – Effect on control system
- Low – Best practice

# Follow up of prior year recommendations

We identified the following issues in the audit of Buckinghamshire County Council's 2017/18 financial statements, which resulted in 3 recommendations being reported in our 2017/18 Audit Findings report. We have followed up on the implementation of our recommendations and note that management have explained why they are not addressing one of them.

	Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
1	✓	Though you prepared and approved your draft 2017/18 financial statements in advance of the national deadline of 31 May, you did not publish your accounts on your website alongside notice of the particulars of the period for public inspection of the accounts until 8 June 2018. This was a breach of section 15 of the Accounts and Audit Regulations 2015, which requires that the period for public inspection of the accounts should cover the first 10 working days of June and that your draft financial statements should be published on your website before 31 May.	The 2018/19 statement of accounts was published in advance of 31 May 2019. The period for the exercise of public rights commenced at 9am on 31 May 2019 and covered the first 10 working days of June.
2	X	A number of users in your SAP team have access to the "SAP_ALL" authorisation profile, which contains virtually full system rights. The profile provides access to all IT functions as well as business transactions which with misuse can cause operational instability and financial misstatements. In our Audit Plan dated 31 May 2018, we reported that an individual in the SAP team had used their access rights to post six journal entries in a closed period without permission from your finance team and in breach of your journals policy.	We recommended that the "SAP_ALL" profile be reserved for use within an emergency or firefighter type ID that can be locked when not in use, as most day to day administrative activities do not require such wide ranging access as provided by "SAP_ALL".  Management have responded that the "SAP_ALL" profile is used for upgrades which require full access to the system. This ensures that when upgrades take place there is no stopping and starting due to authorisations.
3	✓	Your SAP generic accounts, such as the "DDIC" user account, are set to run with the highest system privileges and are a target for unauthorised access. The standard accounts do not need to be active in the system and increase the risk of unauthorised access if not locked down.	Management have confirmed that the user type has now been changed to system user and the password deactivated, and that it will only be set to dialog user when it is needed for an upgrade.

#### Assessment

- ✓ Action completed
- X Not yet addressed

# Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

## Impact of adjusted misstatements

Our audit is currently underway. Set out below are the misstatements identified during our work to date for which management have agreed to adjust the financial statements.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance sheet £'000	Impact on total net expenditure £'000
1 The draft financial statements reported short term investments of £12,070k and available for sale assets of £11,919k, totalling £23,989k. This total figure of £23,989k was overstated by £12,000k. The financial statements are to be adjusted accordingly, with the resulting balance of £11,989k being classified as short term investments. £11,919k of these short term investments were mistakenly classified as available for sale financial assets in the draft financial statements. This category no longer exists following the implementation of IFRS9.	0	12,000	0
2 The draft financial statements reported short term borrowing of £47,945k. This figure was overstated and the financial statements are to be adjusted to report short term borrowing of £35,945k	0	12,000	0
3 Funds held on behalf of the LEP of £13.8m are to be recorded on the balance sheet as a liability, rather than as one of the Council's usable reserves	0	13,800	0
4 The short term creditors figure included a balance of £5,882k in respect of a debt owed to Milton Keynes Council. £3,921k of this sum is not due to be paid within 12 months of 31 March 2019 and so has been reclassified as a long term creditor	0	3,921	0

# Audit Adjustments

## Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit to date which management have agreed to make in the final set of financial statements.

Adjustment type	Value (£'000)	Account balance / Note	Impact on the financial statements	Agreed adjustment?
Disclosure	n/a	General Notes to the Statement of Accounts	The section of the note on 'Assumptions made about the Future and Other Major Sources of Estimation Uncertainty' is to be expanded to disclose the creation of a unitary council in Buckinghamshire, which is a significant future event. We will include an emphasis of matter in our audit report in respect of this item	✓
Disclosure	n/a	General Notes to the Statement of Accounts	The section of the note on 'General Accounting Principles' is to be expanded to reflect the implementation of IFRS15	✓
Disclosure	n/a	General Notes to the Statement of Accounts	The section of the note on 'Critical Judgements in Applying Accounting Policies' includes a disclosure in respect of schools non-current assets. This is to be expanded to make clear what the critical judgement is, rather than simply what the accounting policy is	✓
Disclosure	135,907	Movement in Reserves Statement	Usable reserves at 31 March 2019 are to be amended because the previous figure did not agree to the usable reserves figure on the balance sheet	✓
Disclosure	919	Cash Flow Statement	In the draft financial statements cash and cash equivalents at the end of the reporting period was reported as £4,179k in the cash flow statement, which did not agree to the cash and cash equivalents figure on the balance sheet of £919k. The cash flow statement is to be revised to record cash and cash equivalents at the end of the reporting period of £919k	✓
Disclosure	Various	Cash Flow Statement	The current year figures for cash receipts of short and long term borrowing and repayments of short and long term borrowing were mistakenly copied from the prior year figures. They are to be adjusted to correct this error	✓
Disclosure	Various	Note 1 – Expenditure and Funding Analysis	The reconciliation at the foot of the table is to be expanded to include the full general fund balance, including earmarked reserves	✓

# Audit Adjustments

Adjustment type	Value (£'000)	Account balance / Note	Impact on the financial statements	Agreed adjustment?
Disclosure	428,699	Note 7 - Taxation and Grant Income	The note is to be amended in respect of 'Grants held centrally' as the figure which was reported in the draft financial statements did not agree to the Comprehensive Income and Expenditure Statement	✓
Disclosure	Various	Note 10 – Related parties	Disclosures were made in respect of transactions with several organisations in which the Council has an interest. These disclosures have been removed from the note because the Council does not have significant influence over these organisations, as defined in the CIPFA Code of Practice. The deleted disclosures were in respect of transactions with Buckinghamshire Learning Trust, Adventure Learning Charity, Buckinghamshire County Museum Trust, Buckinghamshire Business First, Buckinghamshire Thames Valley Local Enterprise Partnership, Youth Offending Service, Trading Standards, HR and Legal Shared Service Arrangement, England's Economic Heartland and East West Rail Consortium	✓
31 Disclosure	Various	Note 13 - Pension Schemes Accounted for as Defined Contributions Schemes	The note is to be expanded to disclose the contributions paid into the Teachers Pension Scheme for 2018/19 and the expected contributions to be paid into the scheme for 2019/20	✓
Disclosure	n/a	Note 14 - Defined Benefit Pension Schemes	The disclosure in respect of the salary increase assumption is to be amended from 3.9% to "salaries are assumed to increase at 2.4% per annum until 31 March 2020 and 3.9% per annum thereafter"	✓
Disclosure	33,300	Note 14 - Defined Benefit Pension Schemes	In the 'Other defined benefit plan information' section of the note, the expected pension contributions for 2019/20 are to be amended downwards from £36m to £33.3m	✓
Disclosure	104,775	Note 15 – Property, plant and equipment	The note includes a revaluations table which discloses vehicles, plant and equipment of £107,690k being carried at historical cost. This figure includes £104,775k in respect of the Greatmoor Energy from Waste facility which is valued at depreciated replacement cost, rather than being carried at historical cost. The note is to be amended accordingly.	✓
Disclosure	Various	Note 19 – Investment Property	The note discloses a fair value hierarchy. The category of 'Residential property' within the hierarchy is to be changed to 'Agricultural estate' to better reflect the nature of the property held. The fair value of this category of property is also to be amended from £38.6m to £43.1m. The fair value of the 'Commercial units' is to be amended from £154.4m to £149.9m. The total fair value of the investment properties remains unamended at £193m.	✓

# Audit Adjustments

Adjustment type	Value (£'000)	Account balance / Note	Impact on the financial statements	Agreed adjustment?
Disclosure	Various	Note 19 – Investment Property	The note has been amended to disclose that investment properties were valued by Cushman & Wakefield rather than by Carter Jonas	✓
Disclosure	Various	Note 21 – Financial Instruments	There is to be additional disclosure of how financial instruments have been reclassified and remeasured following the implementation of IFRS9	✓
Disclosure	11,989	Note 21 – Financial Instruments	Investments of £11,989k were classified as 'financial asset at amortised cost' in the draft financial statements but are now to be classified as 'fair value through profit and loss'	✓
Disclosure	12,208	Note 21 – Financial Instruments	The long term loan and receivable in respect of Adult Social Care re-provisioning of £12,208k is to be removed from this note as it does not meet the definition of a financial instrument	✓
Disclosure	Various	Note 21 – Financial Instruments	The note is to be expanded to disclose the valuation techniques and inputs used in fair value measurements. This disclosure was not made for those at level 2 in the fair value hierarchy, which are material	✓
Classification	28,748	Note 21 – Financial Instruments	Fee expense of £28,748k was mistakenly classified as 'Financial Assets: Loans and Receivables' in the draft financial statements. It is to be re-classified as 'Financial Liabilities measured at amortised cost'	✓
Disclosure	11,989	Note 21 – Financial Instruments	The note is to be expanded to include greater disclosure in respect of the nature of the short term investments held by the Council	✓
Disclosure	Various	Note 21 – Financial Instruments	The note is to be expanded to include disclosures in respect of the fair values of financial assets and financial liabilities that are not measured at fair value (but for which fair value disclosures are required). These disclosures were included in the 2017/18 financial statements but were mistakenly omitted from the draft 2018/19 financial statements	✓
Disclosure	20,091	Note 21 – Financial Instruments	The note discloses a 'Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value' table. The loans/borrowings figure in this table is to be increased by £20,091k so that it correctly includes the Council's temporary loans	✓

# Audit Adjustments

Adjustment type	Value (£'000)	Account balance / Note	Impact on the financial statements	Agreed adjustment ?
Disclosure	Various	Note 21 – Financial Instruments	The CIPFA Code requires that for each class of financial assets and financial liabilities the fair value of that class of assets and liabilities should be disclosed in a way that permits it to be compared with its carrying amount. This disclosure is to be added to the final financial statements	✓
Disclosure	35,437	Note 29 – Pooled Budgets (Better Care Fund)	<p>The note is to be amended to disclose:</p> <ul style="list-style-type: none"> <li>the value of expenditure incurred on the Better Care Fund by the Council, Buckinghamshire CCG and the district councils, rather than the value of expenditure incurred on the Fund as a whole</li> <li>contributions to the Better Care Fund of £3,658k by the Council and £3,321k by the district councils, which were originally all classified as Council contributions</li> <li>that the contribution to the Better Care Fund of £28,140k was from Buckinghamshire CCG, rather than from Aylesbury Vale CCG</li> <li>how the pooled budget operates in practice.</li> </ul>	✓
Classification	8,251	Note 29 – Pooled Budgets (Integrated Mental Health Provision for Adults of Working Age Agreement)	The expenditure line in the note is to be amended to disclose that all expenditure on the pooled budget is met by Oxford Health NHS FT	✓
Disclosure	7,089	Note 29 – Pooled Budgets (Children and Adolescence Mental Health Services)	<p>The expenditure line in the note is to be amended to disclose that all expenditure on the pooled budget is met by the Council</p> <p>The income line in the note is to be amended to disclose that the contribution came from Buckinghamshire CCG, rather than Aylesbury Vale CCG</p>	✓
Disclosure	8,299	Note 29 – Pooled Budgets (Community Equipment Loan Service)	<p>The expenditure line in the note is to be amended to disclose that all expenditure on the pooled budget is met by the Council</p> <p>The income line in the note is to be amended to disclose that the contribution came from Buckinghamshire CCG, rather than Aylesbury Vale CCG</p>	✓

# Audit Adjustments

Adjustment type	Value (£'000)	Account balance / Note	Impact on the financial statements	Agreed adjustment?
Disclosure	15,409	Note 29 – Pooled Budgets (Section 117 Aftercare)	The expenditure line in the note is to be amended to disclose that all expenditure on the pooled budget is met by the Council  The income line in the note is to be amended to disclose that the contribution came from Buckinghamshire CCG, rather than Aylesbury Vale CCG	✓
Disclosure	3,764	Note 29 – Pooled Budgets (Integrated Therapies Contract)	The expenditure line in the note is to be amended to disclose that all expenditure on the pooled budget is met by the Council  The income line in the note is to be amended to disclose that the contribution came from Buckinghamshire CCG, rather than Chiltern CCG	✓
Disclosure	2,880	Note 29 – Pooled Budgets (Integrated Mental Health Provision for Older People Agreement)	The note is to be amended to disclose that £784k of the expenditure was incurred by the Council and £2,096k by Oxford Health NHS FT	✓
Disclosure	2,179	Note 29 – Pooled Budgets (Residential Respite Short Breaks Pooled Fund)	The note is to be amended to disclose that the Council incurred expenditure of £2,179k, which was funded by a contribution of £1,642k from the Council and a contribution of £537k from Buckinghamshire CCG	✓
Disclosure	Various	Note 30 – Leases	'The Council as Lessee - Finance Leases' section of the note is to be amended because the current and prior year figures were misstated. The 'Finance Lease Net Book Value' for 31 March 2018 are to be amended from £9,591k to £6,397k and for 31 March 2019 from £6,397k to £10,248k	✓
Disclosure	n/a	Note 31 – Prior Period Adjustment	The note is to be amended to clarify that it is the unfunded benefits that are the subject of the prior period adjustment, rather than all contributions into the Teachers Pension Scheme	✓

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# Audit Adjustments

## Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2018/19 audit which have not been made within the final set of financial statements. The Regulatory and Audit Committee is required to approve management's proposed treatment of all items recorded within the table below:

Detail	Balance sheet £'000	Impact on total net expenditure £'000	Reason for not adjusting
1 Overstatement of the pension fund net liability in respect of the impact of equalisation of Guaranteed Minimum Pension (GMP) benefits between males and females. The net impact is an overstatement of 0.15% of the gross liability, which we estimate to be £2,352k	2,352	0	Management agree with the approach that their actuary has taken and are of the view that the impact of this issue is not material to the Council. We have satisfied ourselves that there is not a risk of material error as a result of this issue. We also acknowledge the significant uncertainties relating to the estimation of the impact on the Council's liability

## Appendix D

# Fees

We confirm below our final fees charged for the audit and provision of non-audit services

## Audit Fees

	Proposed fee	Final fee
Council Audit	66,066	TBC
<b>Total audit fees (excluding VAT)</b>	<b>£66,066</b>	<b>TBC</b>

## Non Audit Fees

Fees for other services	Fees £'000
<b>Audit related services:</b>	
• Teachers Pensions certification (in respect of 2017/18)	7,500
• Teachers Pensions certification (in respect of 2018/19)	7,500
• Education and Skills Funding Agency certification (in respect of 2017/18)	4,000
	<b>£19,000</b>





# Regulatory and Audit Committee

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**Title:** Compliments and Complaints Annual Report

**Date:** Wednesday 20 November 2019

**Author:** Kate Mitchelmore

**Contact officer:** Kate Mitchelmore 01296 531023

**Local members affected:**

*For press enquiries concerning this report, please contact the media office on 01296 382444*

**Summary**

This is a combined annual report for compliments and complaints for the period 1 April 2018 to 31 March 2019. The report brings together all complaints received under the following proceed:

- The Corporate Feedback and Complaints Procedure
- The Adults Social Care Statutory Complaints Procedure – *Making Experiences Count*
- The Children’s Social Care Statutory Complaints Procedure – *Hearing the Customer’s View*

**Recommendation**

**Members should note and comment on the report**

**Supporting information to include the following if a decision is being requested:**

The report and associated papers are attached as one document for consideration.





# COMPLIMENTS & COMPLAINTS ANNUAL REPORT 2018/19

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Buckinghamshire County Council

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- Appendix 1 - Annual Review Letter from the Local Government Ombudsman
- Appendix 2 – Business Unit Annual Summaries
- Appendix 3 – Summary of Learning

## Overview

Buckinghamshire County Council welcomes feedback: compliments, comments and complaints from customers. Feedback will be recorded and acted upon in accordance with our complaints procedures. This will in turn ensure that the Council can demonstrate that it listens to the experiences of its customers, positive or negative, to bring about improvements in services.

This report covers all complaints received and recorded for the period 1 April 2018 to 31 March 2019.

## Statutory Framework

The Council has a statutory duty to investigate Adult and Children's Social Care complaints under The Children Act 1989 Representations Procedure (England) Regulations 2006 and Local Authority Social Services and National Health Service Complaints (England) Regulations 2009.

There is also a requirement on us by the Local Government and Social Care Ombudsman to operate a corporate complaints procedure to cover other areas of council services such as school admissions, special educational needs, libraries and highways.

## What is a complaint?

*Any expression of dissatisfaction about a council service (whether that service is provided directly by the council or by a contractor or partner) that requires a response.<sup>1</sup>*

There is a close link between service requests and complaints. As a Council we record first time contacts as service requests, rather than complaints, and services are encouraged to adopt local resolution to work with the customer to resolve the issue. Where this hasn't happened, then invariably the customer will come back to us to make a complaint.

The Compliments & Complaints Team receives a lot of correspondence from customers who are generally unhappy but are not necessarily making a complaint. These could be someone chasing the progress of a claim, reporting a defect on the roads or simply trying to complain about a service we are not responsible for, like a bin collection. During 2017/18, the Compliments & Complaints Team received nearly 1,100 other 'general enquiries'. These were not classified as complaints and were redirected to the most appropriate place to deal with the issue.

## Purpose of the Complaints Procedure

The purpose of any complaints procedures is to ensure that:

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<sup>1</sup> From the Local Government & Social Care Ombudsman's *Guidance on running a complaints system*

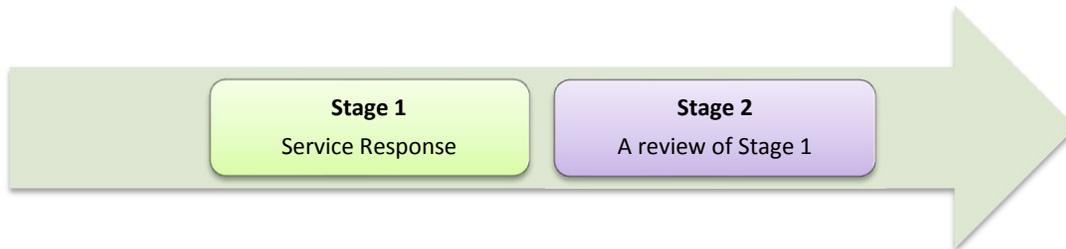
- The views and experiences of people who use services are heard to ensure the organisation remains focused on the customer.
- The organisation learns from complaints and seeks improvements to service provision and working practices.
- There is a simple and effective way of raising a complaint.
- Complaints are dealt with fairly and consistently.
- The complainant receives a comprehensive response within the agreed timescales.
- It encourages an open and transparent environment that people trust and engage with.

### Complaints procedures

The County Council has three processes. The process followed for an individual complaint is largely dependent on the subject of that complaint. As a general rule, complaints specifically regarding child and adult social care issues will be referred to the statutory procedures respectively, whereas other service issues, process/procedural issues and decision making issues will be more appropriate for the corporate procedure.

### Corporate Complaints Procedure

A two stage process:



- **Stage 1** – the staff delivering the service aim to respond to the complaint within 20 calendar days. If it is going to take longer, the complainant is kept informed.
- **Stage 2** – A review of the Stage 1 response carried out on behalf of the Monitoring Officer, with an aim of completing within 20 calendar days. If it is going to take longer, the complainant is kept informed.

The Local Government and Social Care Ombudsman is the final route of redress for the complainant.

## Adults Statutory Social Care Complaints - Listening, Responding, Improving

A one stage process:

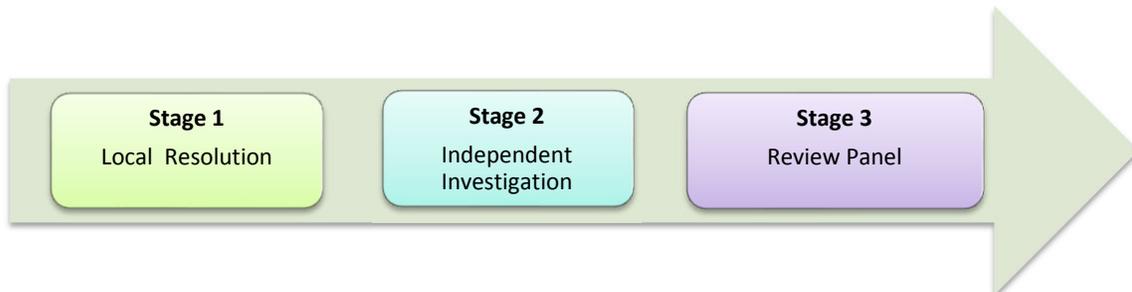


- A one stage process that encourages local resolution to resolve issues. The pre-complaint stage is called the Concern Stage. The complaints process usually begins once the Concern Stage has been exhausted. Whilst the statutory timescale allows up to six months to issue a final response to the complaint, the Council has set a local standard of 28 calendar days during which time the majority of complaints are expected to be resolved.

The Local Government and Social Care Ombudsman is the final route of redress for the complainant.

## Children's Statutory Social Complaints Procedure – Hearing the Customer's View

A three stage process:



- **Stage 1 Local Resolution** - the staff delivering the service are given the opportunity to address the complaint, providing a full response within 10 working days (this can be extended to 20 days in exceptional circumstances such as complex complaints).
- **Stage 2 Independent Investigation** - an Independent Officer (IO) and an Independent Person (IP) will investigate the complaint and the IO will prepare a report for the Service Director, who will send a formal response to the complainant based upon that independent report. The investigation should be completed within 25 working days of receipt of the signed complaints statement

(this can be extended to a maximum of 65 working days in certain circumstances such as complex complaints).

- **Stage 3 Review Panel** - comprising an independent chair and two other independent people who consider the adequacy of the Stage 2 complaint investigation. The Panel should meet within 30 working days of the request being made, its recommendations should be recorded within 5 working days of the meeting and the Executive Director must respond to complainants within 15 working days of the date when the Review Panel made their recommendations.

The Local Government and Social Care Ombudsman is the final route of redress for the complainant.

### **Use of advocates for Children Act complaints**

In accordance with national guidance, Buckinghamshire County Council has made arrangements for the provision of advocacy services for children and young people who wish to make representations under the relevant sections of the Children Act 1989. During the reporting period, the County Council had a contract with the National Youth Advocacy Service (NYAS) for the provision of advocacy services for children in care.

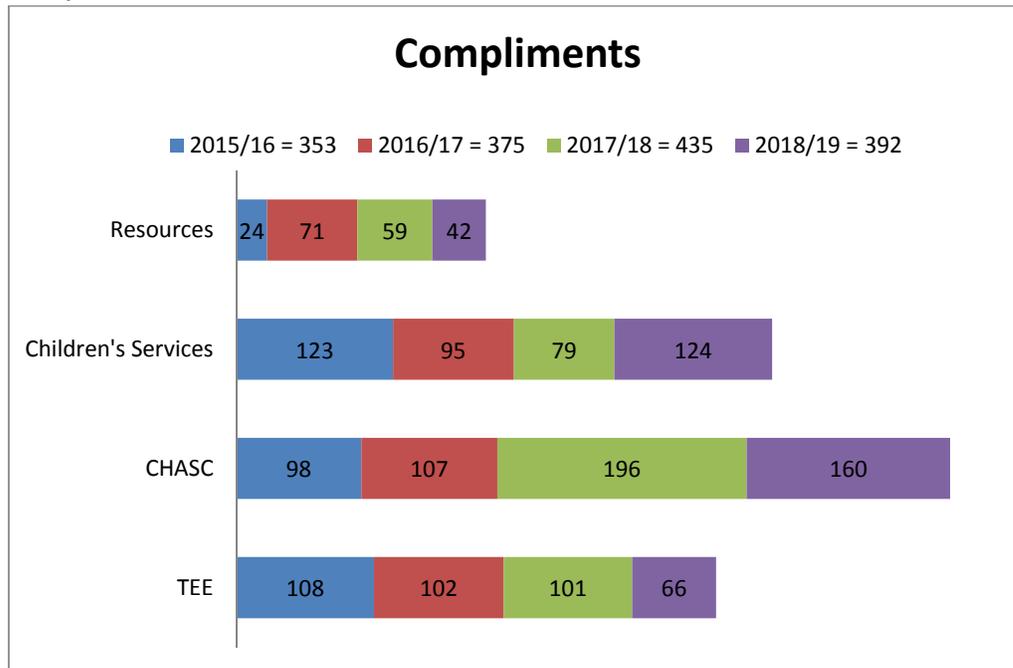
The advocacy service must ensure that independent advocates provide appropriate help to children and young people, taking into account their age, means of communication, language, sex, race, religion, sexual orientation, health or disability.

The advocates provided by NYAS are volunteers who have received the appropriate training in working with children and young people. They are from a variety of backgrounds and care is taken in achieving a good match between advocate and child to take into account the needs of the child.

## Executive Summary of Compliments and Complaints 2018/19

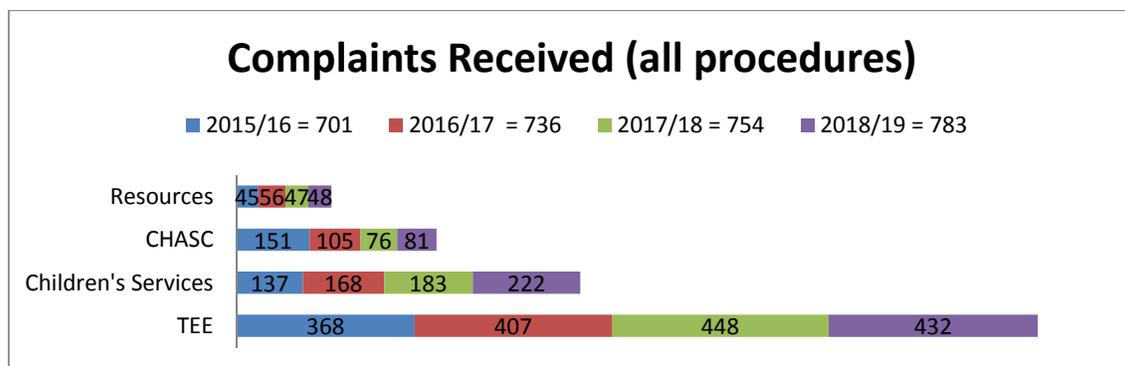
### Compliments

The number of compliments recorded this year has reduced slightly from last year. This reduction is across all areas of the council with the exception of Children's Services where there has been a significant increase in the number of SEN compliments.



### Complaints

Between 1 April 2018 and 31 March 2019, the Council received a total of 783 (2017/18 = 760) complaints across all three complaints procedures.



The following breakdown for the reporting year provides data for 2017/18 as a comparison (in brackets).

- 568 (554) complaints were received at Stage 1 of the corporate procedure and 64 (69) were received at Stage 2 of that procedure.
- Within the statutory children services procedure, there were 76 (67) dealt with at Stage 1, with 14 (8) being escalated to Stage 2.
- 61 (55) complaints were dealt with under the adult social care statutory complaints procedure.

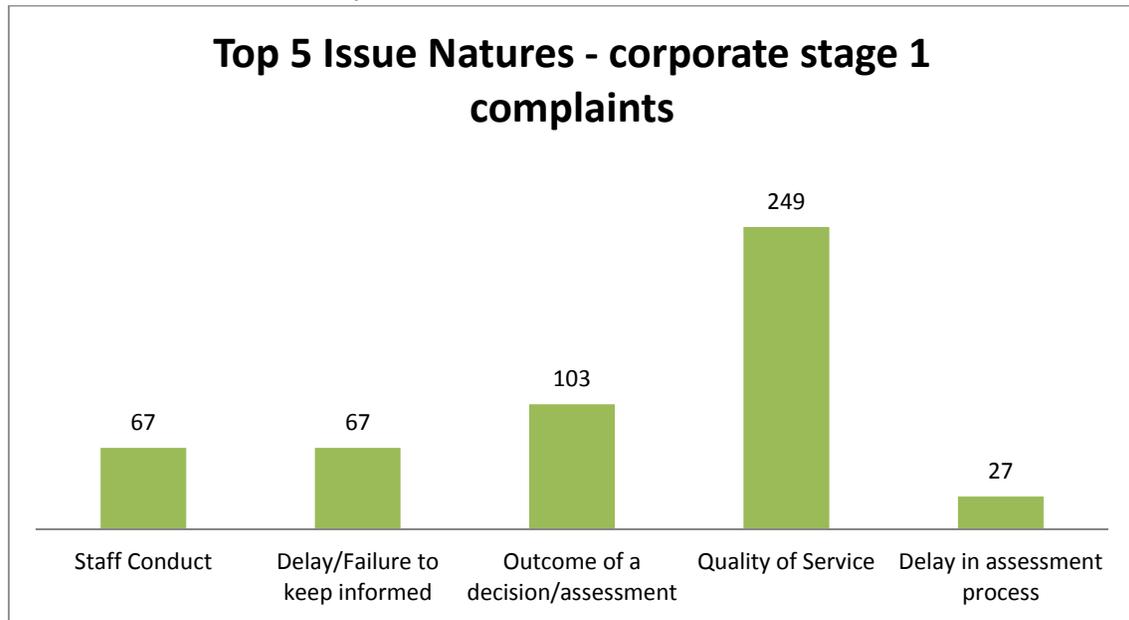
**Response times - Corporate Complaints stage 1**

The externally stated target for responding to Stage 1 corporate complaints is 20 working days. However, we aim to provide a response within 10 working days. The graph below shows a comparison of the average response times between the first and second halves of the year and as well as comparing with the previous year.

<b>Average Half Year Response Times – Corporate Complaints</b>		
	2018/19	2017/18
April - September	21	38
October - March	22	26

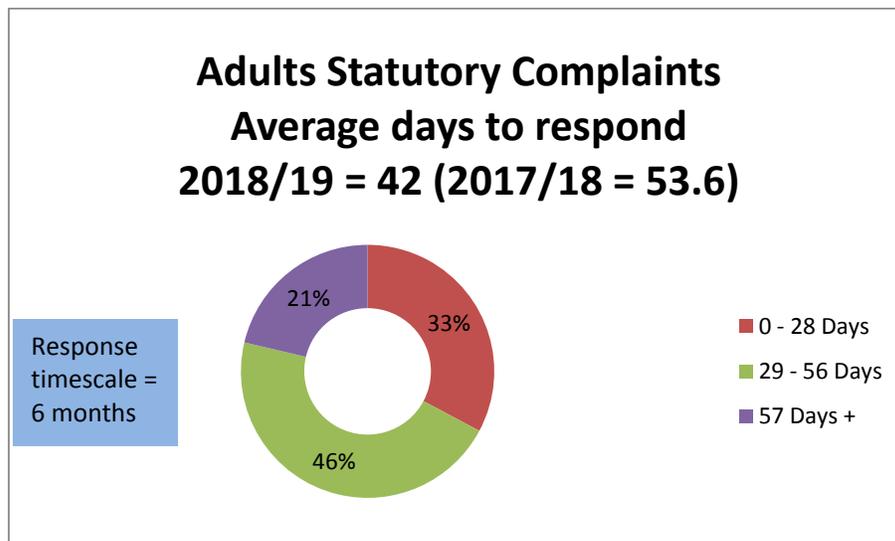
**Issue natures of complaints – Corporate Complaints Stage 1**

The graph below shows the top 5 reasons for corporate stage 1 complaints. Included in this amount are 67 complaints that had more than one issue nature.

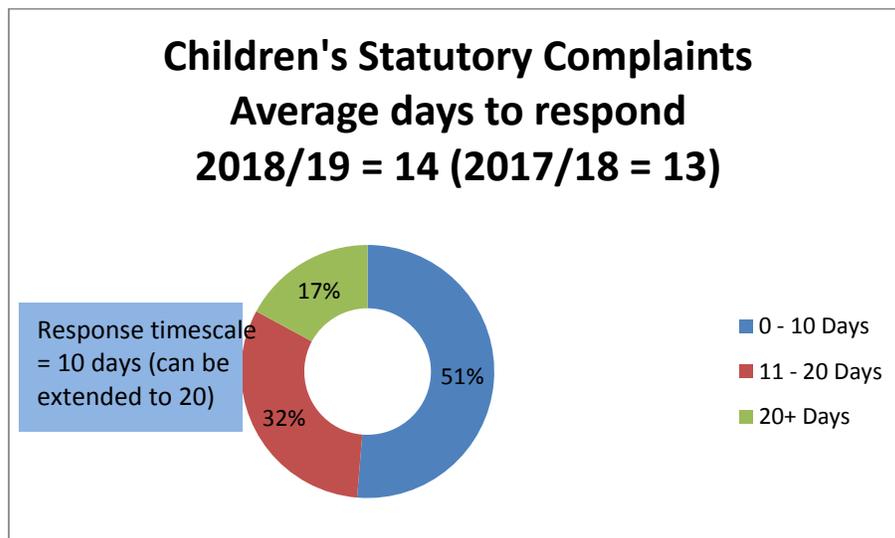


### Response times - Statutory Complaints

As explained above, the two statutory complaints procedures are completely different, although they are based on the same basic principles. The adult process was changed in 2009 and is centred on the idea of local resolution. The timeframe for resolution is six months to allow a reasonable amount of time to work together with the customer.



The children's statutory process has three stages and although local resolution is encouraged, each stage has its own timeframes. For these reasons, it is not appropriate to compare time taken between the adults and children's statutory processes.

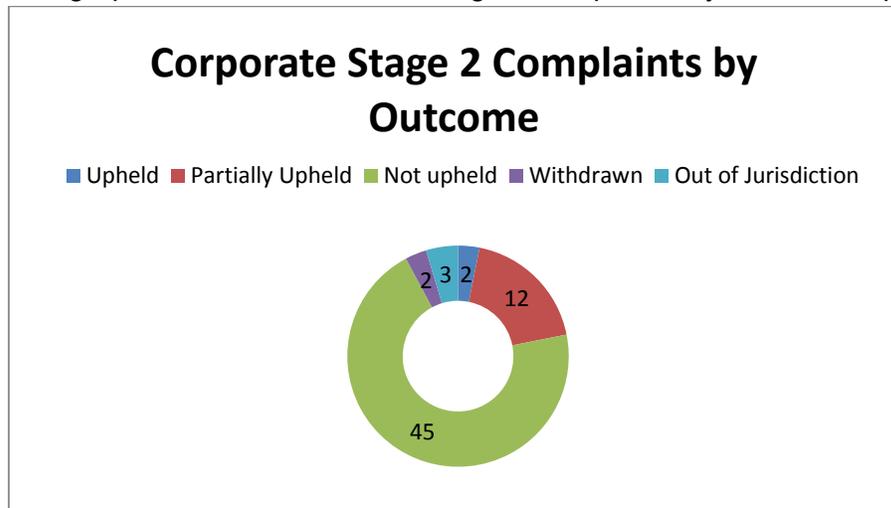


## Stage 2 Corporate Complaints – Escalations

The following breakdown for the reporting year provides data for 2016/17 as a comparison (in brackets).

- 568 (554) Complaints were recorded at Stage 1
  - 11.3% (12.2%) of this number were escalated to Stage 2
- 64 (69) Complaints were recorded at Stage 2 (the final stage):
  - 4 (8) of these Stage 2 complaints went directly to the final stage as per the correct procedure for complaints relating to requests for information made under the Data Protection Act, Freedom of Information Act and Environmental Information Regulations
  - 2 (4) of these Stage 2 complaints were escalated directly to the final stage due to their seriousness or previous correspondence indicating this to be appropriate
  - 58 (57) of these Stage 2 complaints were escalated directly from Stage 1

The graph below shows the 64 Stage 2 complaints by outcome in percentage terms



As outlined above, of the 64 Stage 2 (final stage) complaints, 58 were escalated from the previous stage of the process. Therefore, these complaints had a previous decision (normally 'Not Upheld') which was reviewed. The analysis of those decisions (see table below) shows that 74% (62%) of reviewed decisions remained 'Not Upheld', whereas 25% (35%) of reviewed decisions were upheld (either in whole or in part).

The following breakdown for the reporting year provides data for 2017/18 as a comparison

<b>Reviewed complaint decision</b>	<b>2018/19</b>	<b>2017/18</b>	<b>% 2018/19</b>	<b>% 2017/18</b>
<b>Not Upheld</b>	41	42	70.6	73.7
<b>Partially Upheld</b>	10	12	17.2	21
<b>Upheld</b>	2	2	3.5	3.5
<b>Withdrawn</b>	2	0	3.5	0
<b>Outside Jurisdiction</b>	3	1	5.2	1.8
<b>Total</b>	58	57	100%	100%

### **Benchmarking**

Benchmarking information is not readily available because individual authorities determine how they report on complaints; however, the table below provides some comparative information to put the County Council's performance into some context. Please note that the data needs to be treated with some caution due to different definitions of complaints. This information is for the year 2018/19.

<b>Authority</b>	<b>Corporate (Stage 1)</b>	<b>Adult Social Care (Statutory)</b>	<b>Children's Social Care (Statutory)</b>	<b>Total</b>	<b>Total – rate per 10,000 population</b>
<b>Buckinghamshire Population: 548,586</b>	568	61	76	705	13
<b>Oxfordshire Population: 687,524</b>	380	165	135	680	10
<b>Northamptonshire Population 747,622</b>	359	348	303	1010	13
<b>Norfolk Population: 903,680</b>	1655	474	107	2236	25

## Local Government & Social Care Ombudsman

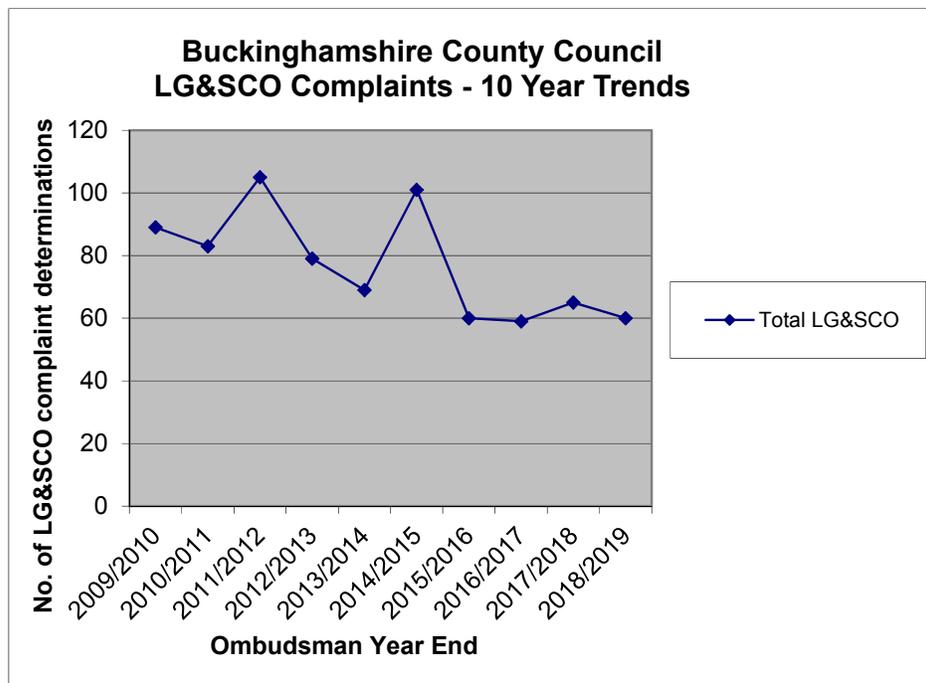
Each local authority is sent an Annual Review Letter from the Local Government & Social Care Ombudsman (LG&SCO). A copy of the letter is included as an appendix to this report. A total of 65 complaints about the Council were determined by the LG&SCO for 2017/18:

<b>LGO Category</b>	<b>Number of LG&amp;SCO Complaints 2018/19</b>	<b>Number of LG&amp;SCO Complaints 2017/18</b>
• <b>Education &amp; Children's Services</b>	23	27
• <b>Adult Care Services</b>	17	16
• <b>Environmental Services &amp; Public Protection &amp; Regulation</b>	1	3
• <b>Highways &amp; Transport</b>	15	18
• <b>No category allocated</b>	0	0
• <b>Corporate and Other Services</b>	4	1
• <b>Planning &amp; Development</b>	0	0
• <b>Total number of LG&amp;SCO complaints</b>	60	65

The following table shows the LG&SCO's classification decisions:

<b>2018/19 Decision Classification</b>	<b>No. of Complaints 2018/19 (2017/18 in brackets)</b>		<b>Comments</b>
<b>Upheld</b>	9	(9)	Fault found by LGO.(NB The fault may have already been previously satisfactorily remedied by the Council.)
<b>Not Upheld</b>	5	(9)	No fault found by LGO.
<b>Advice given</b>	1	(0)	No record of these complaints – we assume advice given to complainant by the LGO without reference to the Council.
<b>Closed after initial enquiries</b>	22	(20)	Initial information supplied by the complainant and/or the Council results in the LGO deciding not to investigate these complaints (for a variety of reasons, such as that the matter falls outside of the LGO's statutory jurisdiction, or there was insufficient maladministration and/or injustice found).
<b>Incomplete/Invalid</b>	3	(6)	No record of these complaints as not communicated to the Council – we can only assume that all these complaints were not progressed with LGO.
<b>Referred back for local resolution</b>	20	(21)	The Council is not aware of all of these cases, however we can assume that some were where the LGO told the complainant to contact the Council, but the complainant chose not to pursue the matter. In other cases, the LGO asked us to put the complaint through the relevant complaint procedure.
<b>Total</b>	<b>60</b>	<b>(65)</b>	

The number of LG&SCO complaints has remained at a similar level since 2015/16. The figure for 2018/19 (60) is a decrease on that for 2016/17 (65), however, it is too early to say whether this is an ongoing trend.



### Benchmarking – LG&SCO

The table below provides some comparative information to put the County Council's performance into context. This has been taken from the LG&SCO website and the definitions for the outcomes are detailed in the table above. This information is for the year 2017/18.

Authority	Closed after initial enquiries	Not upheld	Upheld	% Upheld	Total LG&SCO Decisions
Buckinghamshire	22	5	9	64	60
Oxfordshire	17	9	9	50	57
Northamptonshire	25	9	18	67	96
Norfolk	29	20	41	67	150

### Annual Review of the Feedback and Complaints Procedure

The Deputy Monitoring Officer, on behalf of the Monitoring Officer, has reviewed the Feedback and Complaints procedure and is satisfied that the two stage process

(introduced in February 2016) is working efficiently and effectively for both complainants and the Council. The procedure for corporate complaints was reviewed and updated (minor changes). This was then agreed at the Regulatory & Audit Committee on 4 April 2019.

### **Vexatious and Persistent Complainants Policy**

The policy for dealing with vexatious and persistent complainants was launched in October 2016. The policy is available on the Council's website and was reviewed in 2018 and re-written with minor changes. It was then agreed on 12 September 2018 at the Regulatory and Audit Committee.

For 2018/19, there were two complainants added to the register of vexatious and persistent complainants. At the three month review, both were extended and are still in place. One of the complainants was on the register in the previous year.

It is felt that the existing policy remains fit for purpose and that no changes are required at this point. This policy will be reviewed as part of the work being done by the compliments, comments & complaints unitary work stream to ensure we have one policy in place for the new Buckinghamshire Council to use.

### **MP Enquiries**

MP Enquiries are managed centrally within the Compliments & Complaints Team. For 2018/19 200 MP Enquiries were managed through the process with an average response time of 12 days. For 2019/20 we have received 269 such enquiries at the time of writing the report. The recent issues with Client Transport have contributed to this but there have been increases in other areas including SEND and Transport for Buckinghamshire.

### **Complaints Team Capacity**

FY2019/20 has seen a significant increase in the number of stage 1 complaints received by the council. At the point of writing 583 complaints had been received in comparison to 284 for the same period in 2018/19. As described in the paragraph about MP Enquiries the increases are in areas such as Client Transport, SEND and Transport for Buckinghamshire.

In addition to the significant increase in the number of contacts into the Compliments & Complaints Team, there has been a higher than usual level of turnover in the team since the beginning of the 2019/20 financial year, which has hampered further development work on both the processes and the Respond system.

In particular this has affected work on learning from complaints: although we have the ability in Respond to record and manage learning outcomes, we have been unable to develop this as far as we would like. However, we are aware that within services there is work going on to improve and learn from complaints (whether it is individually on specific issues or across the board process amendments). This area will be picked up and managed over the next year and incorporated in the unitary work we are doing with our district council colleagues.

We have also recently filled two vacant positions and are recruiting against two more to remedy the capacity issues and facilitate further improvement work in conjunction with the services.

### **Compliments, Comments & Complaints – Unitary Preparation**

The Complaints Manager is currently working on arrangements for compliments, comments and complaints handling for vesting day, in collaboration with district colleagues. This includes the development of a two-stage complaints policy for the new council, to ensure a consistent customer experience and robust approach to managing complaints.

24 July 2019

*By email*

Rachael Shimmin  
Chief Executive  
Buckinghamshire County Council

Dear Ms Shimmin

### **Annual Review letter 2019**

I write to you with our annual summary of statistics on the complaints made to the Local Government and Social Care Ombudsman about your authority for the year ending 31 March 2019. The enclosed tables present the number of complaints and enquiries received about your authority, the decisions we made, and your authority's compliance with recommendations during the period. I hope this information will prove helpful in assessing your authority's performance in handling complaints.

### **Complaint statistics**

As ever, I would stress that the number of complaints, taken alone, is not necessarily a reliable indicator of an authority's performance. The volume of complaints should be considered alongside the uphold rate (how often we found fault when we investigated a complaint), and alongside statistics that indicate your authority's willingness to accept fault and put things right when they go wrong. We also provide a figure for the number of cases where your authority provided a satisfactory remedy before the complaint reached us, and new statistics about your authority's compliance with recommendations we have made; both of which offer a more comprehensive and insightful view of your authority's approach to complaint handling.

The new statistics on compliance are the result of a series of changes we have made to how we make and monitor our recommendations to remedy the fault we find. Our recommendations are specific and often include a time-frame for completion, allowing us to follow up with authorities and seek evidence that recommendations have been implemented. These changes mean we can provide these new statistics about your authority's compliance with our recommendations.

I want to emphasise the statistics in this letter reflect the data we hold and may not necessarily align with the data your authority holds. For example, our numbers include

enquiries from people we signpost back to your authority, some of whom may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website, alongside our annual review of local government complaints. For the first time, this includes data on authorities' compliance with our recommendations. This collated data further aids the scrutiny of local services and we encourage you to share learning from the report, which highlights key cases we have investigated during the year.

### **New interactive data map**

In recent years we have been taking steps to move away from a simplistic focus on complaint volumes and instead focus on the lessons learned and the wider improvements we can achieve through our recommendations to improve services for the many. Our ambition is outlined in our [corporate strategy 2018-21](#) and commits us to publishing the outcomes of our investigations and the occasions our recommendations result in improvements for local services.

The result of this work is the launch of an interactive map of council performance on our website later this month. [Your Council's Performance](#) shows annual performance data for all councils in England, with links to our published decision statements, public interest reports, annual letters and information about service improvements that have been agreed by each council. It also highlights those instances where your authority offered a suitable remedy to resolve a complaint before the matter came to us, and your authority's compliance with the recommendations we have made to remedy complaints.

The intention of this new tool is to place a focus on your authority's compliance with investigations. It is a useful snapshot of the service improvement recommendations your authority has agreed to. It also highlights the wider outcomes of our investigations to the public, advocacy and advice organisations, and others who have a role in holding local councils to account.

I hope you, and colleagues, find the map a useful addition to the data we publish. We are the first UK public sector ombudsman scheme to provide compliance data in such a way and believe the launch of this innovative work will lead to improved scrutiny of councils as well as providing increased recognition to the improvements councils have agreed to make following our interventions.

### **Complaint handling training**

We have a well-established and successful training programme supporting local authorities and independent care providers to help improve local complaint handling. In 2018-19 we delivered 71 courses, training more than 900 people, including our first 'open courses' in Effective Complaint Handling for local authorities. Due to their popularity we are running six more open courses for local authorities in 2019-20, in York, Manchester, Coventry and London. To find out more visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training).

Finally, I am conscious of the resource pressures that many authorities are working within, and which are often the context for the problems that we investigate. In response to that situation we have published a significant piece of research this year looking at some of the

common issues we are finding as a result of change and budget constraints. Called, [Under Pressure](#), this report provides a contribution to the debate about how local government can navigate the unprecedented changes affecting the sector. I commend this to you, along with our revised guidance on [Good Administrative Practice](#). I hope that together these are a timely reminder of the value of getting the basics right at a time of great change.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M King', with a horizontal line underneath.

Michael King  
Local Government and Social Care Ombudsman  
Chair, Commission for Local Administration in England

**Local Authority Report:** Buckinghamshire County Council  
**For the Period Ending:** 31/03/2019

For further information on how to interpret our statistics, please visit our [website](#)

## Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
16	0	4	23	1	14	0	0	0	58

## Decisions made

				Detailed Investigations			
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate (%)	Total
3	1	20	22	5	9	64	60

**Note:** The uphold rate shows how often we found evidence of fault. It is expressed as a percentage of the total number of detailed investigations we completed.

## Satisfactory remedy provided by authority

Upheld cases where the authority had provided a satisfactory remedy before the complaint reached the Ombudsman	% of upheld cases
0	0

**Note:** These are the cases in which we decided that, while the authority did get things wrong, it offered a satisfactory way to resolve it before the complaint came to us.

## Compliance with Ombudsman recommendations

Complaints where compliance with the recommended remedy was recorded during the year*	Complaints where the authority complied with our recommendations on-time	Complaints where the authority complied with our recommendations late	Complaints where the authority has not complied with our recommendations	
8	8	0	0	<b>Number</b>
	100%		-	<b>Compliance rate**</b>
<p><b>Notes:</b>            * This is the number of complaints where we have recorded a response (or failure to respond) to our recommendation for a remedy during the reporting year. This includes complaints that may have been decided in the preceding year but where the data for compliance falls within the current reporting year.            ** The compliance rate is based on the number of complaints where the authority has provided evidence of their compliance with our recommendations to remedy a fault. This includes instances where an authority has accepted and implemented our recommendation but provided late evidence of that.</p>				

# Communities, Health & Social Care (CHASC)

## Annual Customer Feedback 1/2

Annual CHASC Summary April 2018 – March 2019

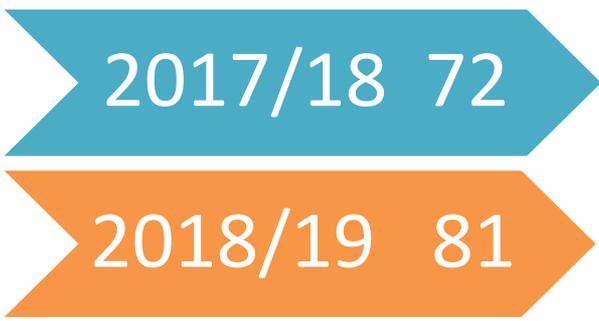
### Formal Stage 1 Complaints Received



*This represents a  
increase of*



### Stage 1 complaints comparison for 2017/18



### Compliments Received



*This represents a  
decrease of*



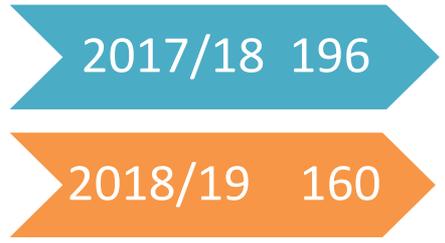
### Number of concerns received and dealt with within 48 hours



For statutory complaints the pre complaint stage is called the Concern Stage and it is a process that encourages local resolution to resolve issues.

Of the 61 Statutory Complaints, 23 were escalated from concerns.

### Compliments comparison for 2017/18



An increase from 2017/18 = 72

# Communities, Health & Social Care (CHASC)

## Annual Customer Feedback 2/2

Annual CHASC Summary April 2018 – March 2019

**Complaints where the Council is at fault (upheld) or partially at fault**



14% withdrawn or out of jurisdiction

**Complaints where the Council is not at fault**



**Corporate CHASC Average complaint response time**



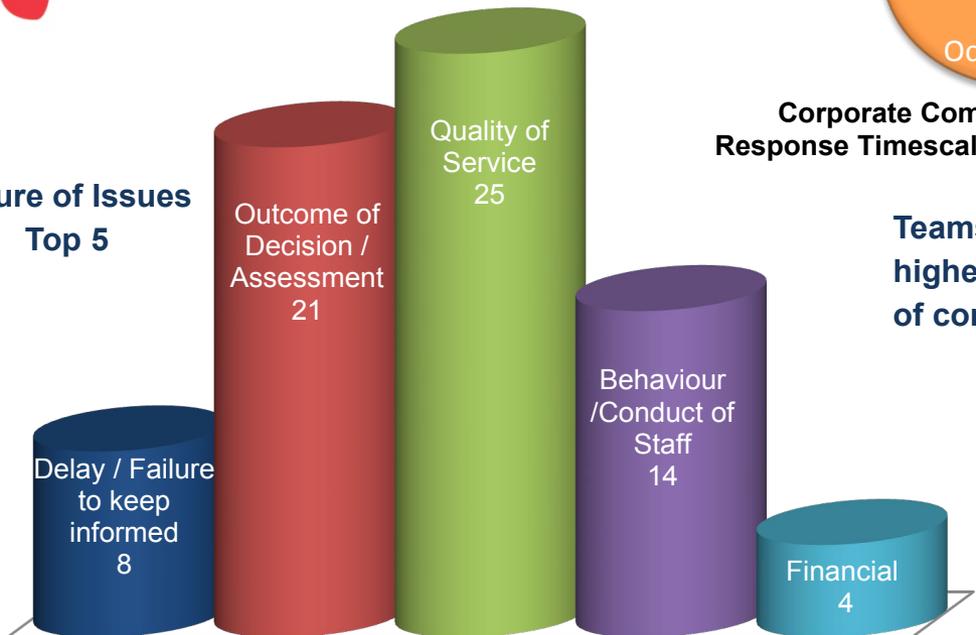
**Corporate Complaints Response Timescale = 28 days**

**Statutory Average complaint response time**



**Adults Statutory Complaints Response Timescale = 6 Months**

**Nature of Issues Top 5**



**Teams with the highest number of complaints**



# Children's Services

## Annual Customer Feedback 1/2

Appendix 1 – Annual (April 2018 – March 2019)

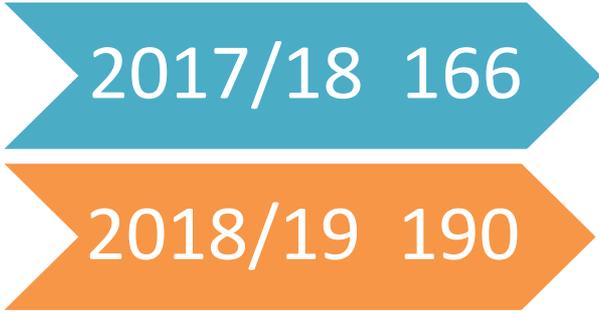
### Formal Stage 1 Complaints Received



*This represents an increase of*



### Stage 1 complaints comparison for 2016/17



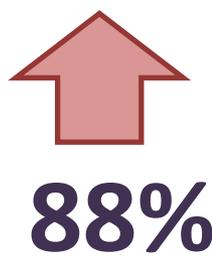
### Stage 3 Panels



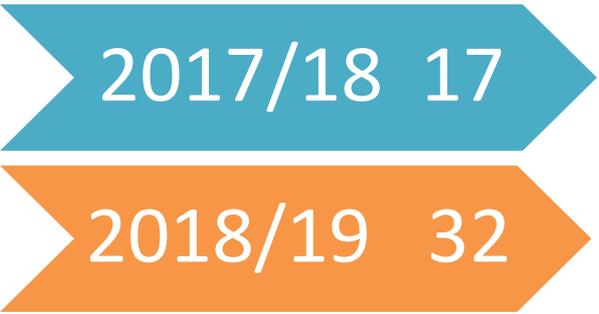
### Complaints escalated to Stage 2



*This represents an increase of*



### Stage 2 complaints comparison for 2016/17



**6**  
**8**

**Stage 2 complaints upheld or partially upheld (overturning the outcome at stage 1)**

The reasons for complainants expressing dissatisfaction after a stage 1 complaint can vary. Primarily this has been due the complainant suggesting that the Stage 1 response did not adequately address the issues of complaint and/or where they were left feeling as though the complaint had not been taken seriously. However, it is also fair to say that there have been occasions where escalation was inevitable irrespective of the effort put in at Stage 1 due to a break down in trust.

# Children's Services

## Annual Customer Feedback 2/2

### Appendix 1 – Annual Children's Services Summary April 2018 – March 2019

**Staged 1 Complaints where the Council is at fault (upheld) or partially at fault**



7% withdrawn, out of jurisdiction or no comment made

**Stage 1 Complaints where the Council is not at fault**



**Average complaint response time**



**Compliments Received**

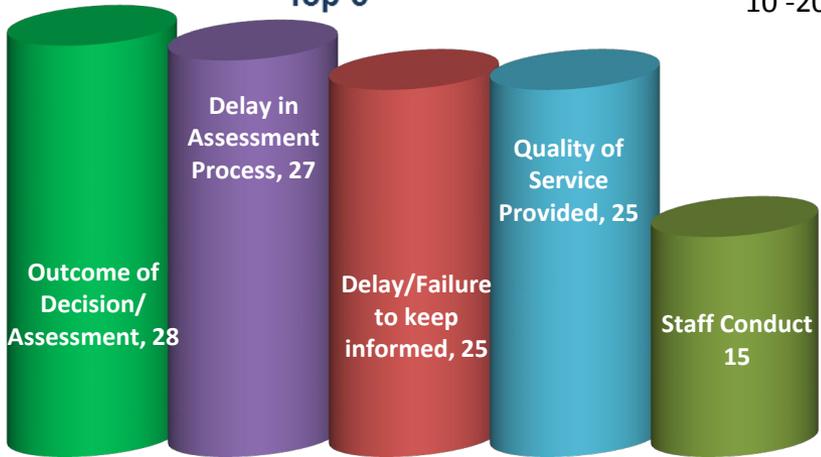


18% ↓

Corporate Timescale 28 days

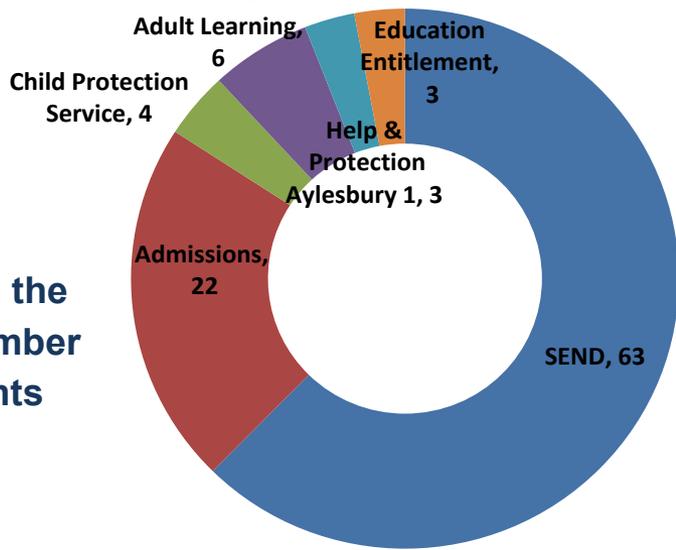
2017/18 - 78

**Nature of Issues Top 5**



Statutory Timescale 10 -20 days

**Teams with the highest number of complaints**



# Resources

## Annual Customer Feedback 1/2

Annual Resources Summary April 2018 – March 2019

**Formal Stage 1  
Complaints  
Received**

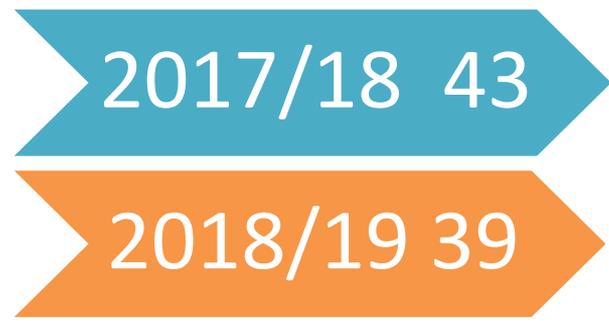


*This represents a decrease of*



**9%**

**Stage 1 complaints comparison for 2016/17**



**Compliments  
Received**

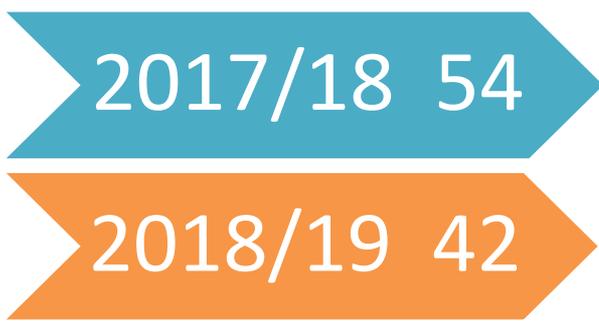


*This represents a decrease of*



**22%**

**Compliments comparison for 2016/17**



**Average complaint response time**



**2018/19**



**2017/18**

# Resources

## Annual Customer Feedback 2/2

Annual Resources Summary April 2018 – March 2019

**Complaints where the Council is at fault (upheld) or partially at fault**

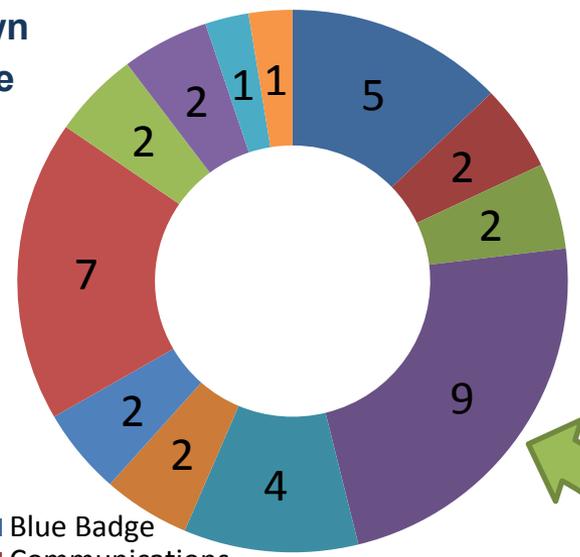


15% withdrawn/no comment made

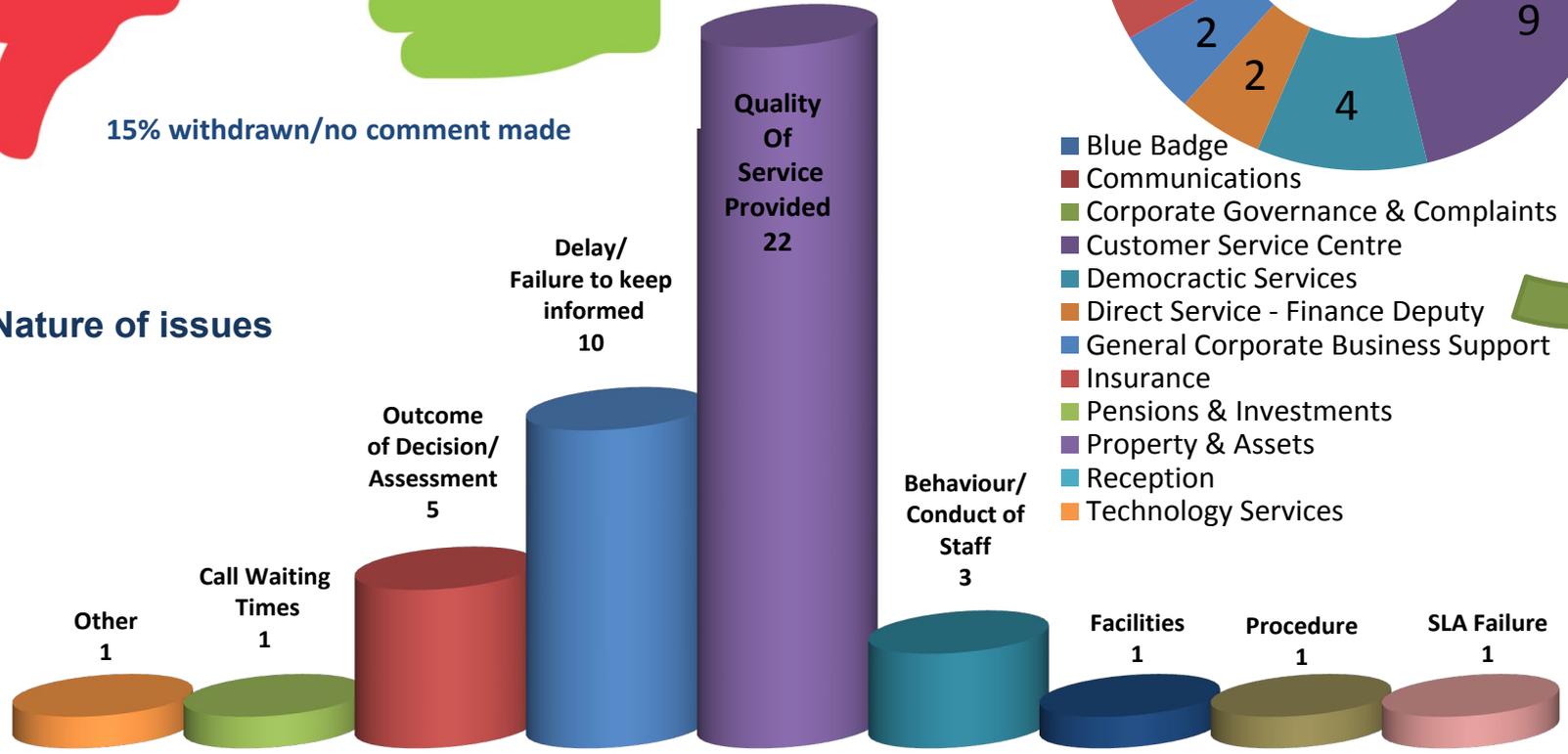
**Complaints where the Council is not at fault**



**Breakdown by Service**



**Nature of issues**



- Blue Badge
- Communications
- Corporate Governance & Complaints
- Customer Service Centre
- Democractic Services
- Direct Service - Finance Deputy
- General Corporate Business Support
- Insurance
- Pensions & Investments
- Property & Assets
- Reception
- Technology Services

# Transport, Economy & Environment (TEE)

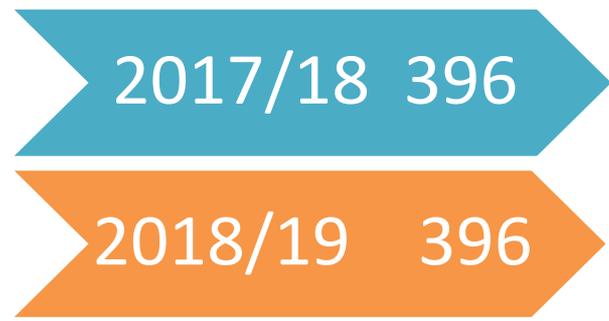
## Annual Customer Feedback 1/2

Annual TEE Summary April 2018 – March 2019

**Formal Stage 1  
Complaints  
Received**



**Stage 1 complaints comparison for  
2017/18**



**Average complaint  
response time**



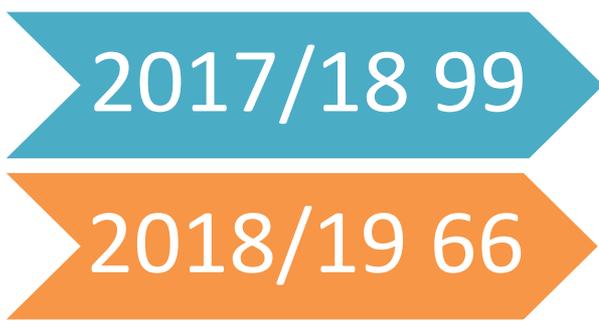
**Compliments  
Received**



*This represents  
a decrease of*



**Compliments comparison  
for 2016/17**



2017/18

# Transport, Economy & Environment (TEE)

## Annual Customer Feedback 2/2

Annual TEE Summary April 2018 – March 2019

**Complaints where the Council is at fault (upheld) or partially at fault**

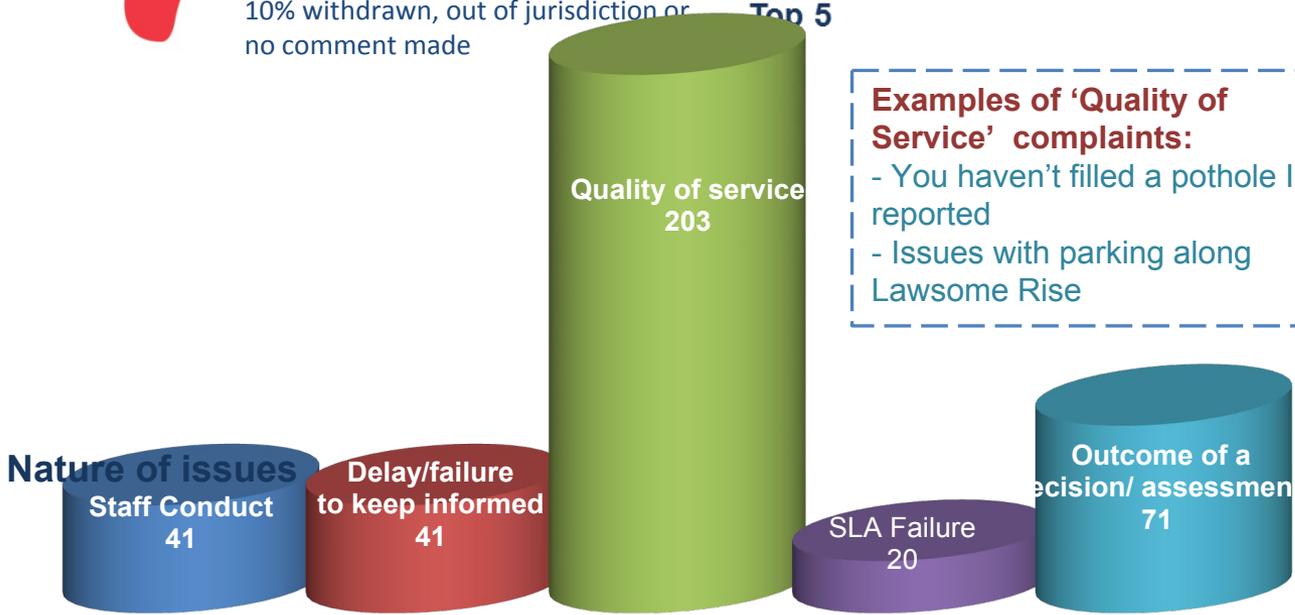


10% withdrawn, out of jurisdiction or no comment made

**Complaints where the Council is not at fault**



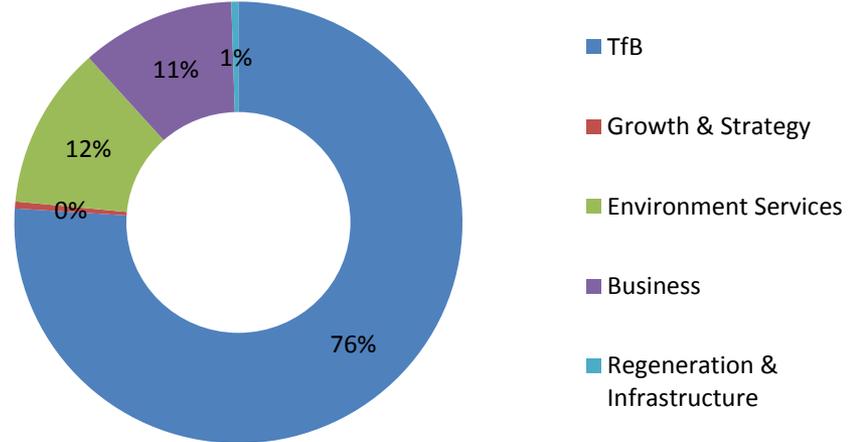
**Nature of Issues**



**Examples of 'Quality of Service' complaints:**

- You haven't filled a pothole I reported
- Issues with parking along Lawsome Rise

**Teams with the highest number of complaints**



**Proportion of Complaints for Transport for Buckinghamshire**

2015/16	60%
2016/17	46%
2017/18	73%
2018/19	76%

More analysis for TfB is shown on a separate sheet

# Transport, Economy & Environment – Transport for Buckinghamshire (TfB) - Annual Customer Feedback 1/2

Annual TfB Summary April 2018 – March 2019

**Formal Stage 1  
Complaints  
Received**

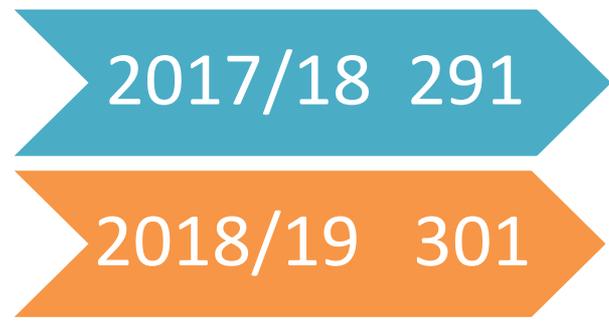


*This represents  
an increase of*



**3.5%**

**Stage 1 complaints comparison with  
2017/18**



**Average complaint  
response time**



Total  
2017/18



Total 2018/19

**Compliments  
Received**

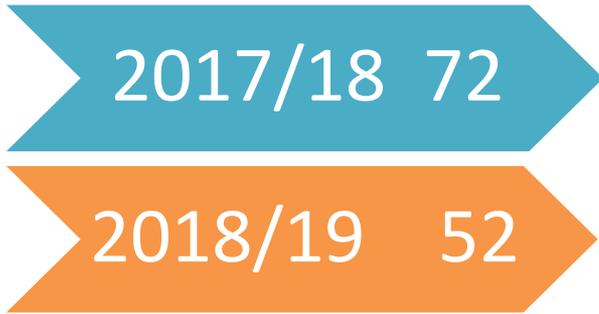


*This represents  
a decrease of*



**28%**

**Compliments comparison  
for 2016/17**



# Transport, Economy & Environment – Transport for Bucks (TfB) Annual Customer Feedback 2/2

Annual TfB Summary April 2018 – March 2019

**Complaints where the Council is at fault (upheld) or partially at fault**

**Complaints where the Council is not at fault**

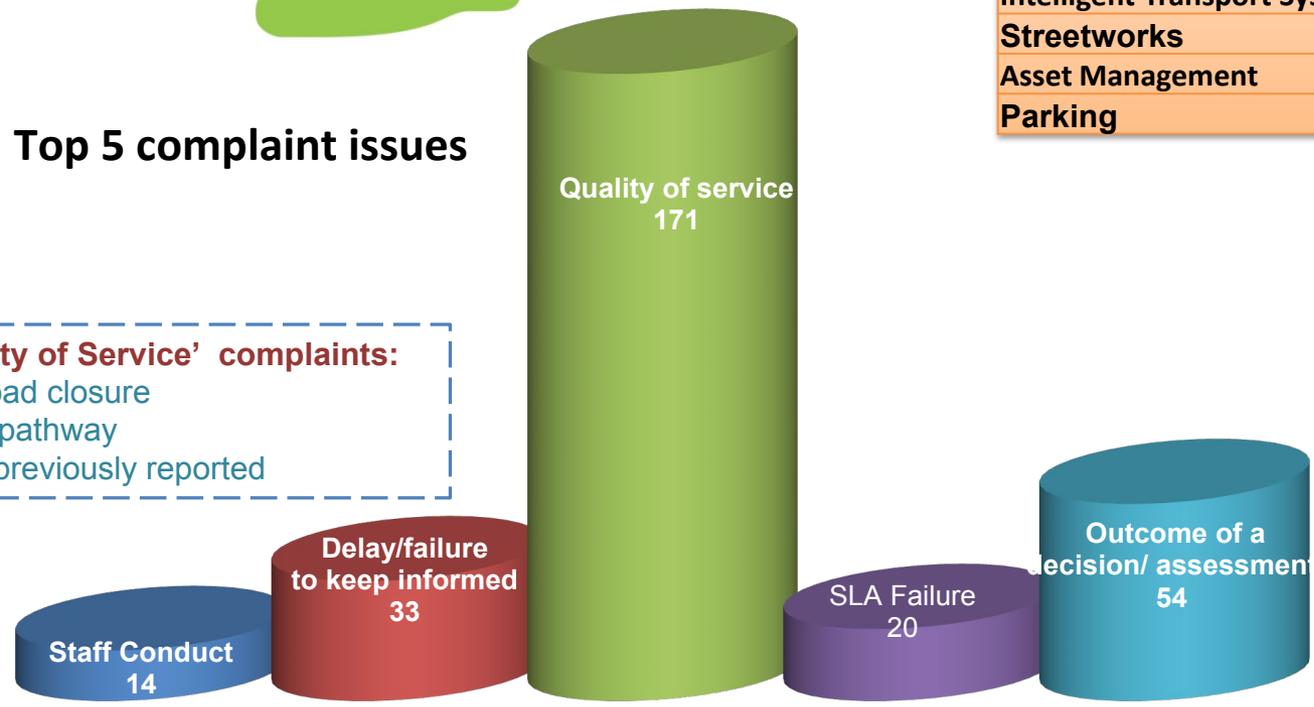


8% withdrawn, out of jurisdiction or no comment made

**Complaints by Team**

Operations Aylesbury	67
Operations High Wycombe	51
Operations South Bucks	98
Street lighting	39
Network Safety	3
Network Improvement	1
Claims	9
Intelligent Transport Systems	2
Streetworks	3
Asset Management	1
Parking	27

**Top 5 complaint issues**



**Examples of 'Quality of Service' complaints:**

- Complaint about road closure
- Poor condition of pathway
- Faulty streetlight previously reported

## Annual Organisational Learning Summary 2018/19

Accountability is a key principle of complaints handling and ensuring that we follow up on complaints and keep our promises to customers is a huge part of this. As part of our improvement plan for complaints, we are encouraging an open culture where all services take responsibility for such learning. Being able to show what we have done to improve as a result of listening to our customers completes the complaint journey – both for customers and for the council. Traditionally, there has been no formal, consistent way of recording learning and action taken from complaints, but we are developing the new Respond system to do this across the complaints spectrum. **Below are a few brief examples:**

### Corporate - TEE

#### **Issue/recommendation:**

Complaint about a member of staff who was rude to a customer

**Action taken:** Individual spoken with and reminder given to all customer facing staff

#### **Issue/recommendation:**

Complaints about system (Fix My Street) closing a report when the problem hasn't been fixed

#### **Action taken:**

Messaging on FMS changed so that message is clearer about why report is closed

#### **Issue/recommendation:**

**Action taken:**

### Corporate - Resources

#### **Issue/recommendation:**

A complaint about a Customer Service Advisor who could have done more to help the customer

#### **Action taken:**

Training was given to the individual and CSA's were reminded of the need to fully resolve queries where possible

#### **Issue/recommendation:**

Complaint regarding officer giving incorrect information to customer

#### **Action taken:**

Team Manager for Payroll and Pensions to review the case, controls and processes to ensure that it does not happen again.

#### **Issue/recommendation:**

Complaint about parking for Blue Badge appointment

#### **Action taken:**

Times for assessments moved to later in the day to ensure there is parking available

# Regulatory and Audit Committee

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**Title:** 2019/20 Business Assurance Strategy Update

**Date:** Wednesday 20 November 2019

**Author:** Maggie Gibb – Head of Business Assurance (& Chief Auditor)

**Contact officer:** Maggie Gibb – 01296 387327

**Local members affected:**

*For press enquiries concerning this report, please contact the media office on 01296 382444*

## Summary

This report provides an update on the delivery against the approved 2019/20 Business Assurance Strategy.

## Recommendation

Members should **note** the report.

## Supporting information to include the following if a decision is being requested:

### Resource implications

None

### Legal implications

None

### Other implications/issues

None

**Feedback from consultation, Local Area Forums and Local Member views (if relevant)**

N/A

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**Background Papers**

2019/20 Business Assurance Strategy

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**Buckinghamshire County Council**

# **Business Assurance Update**

## **2019/20**

**Regulatory and Audit Committee**

**November 2019**



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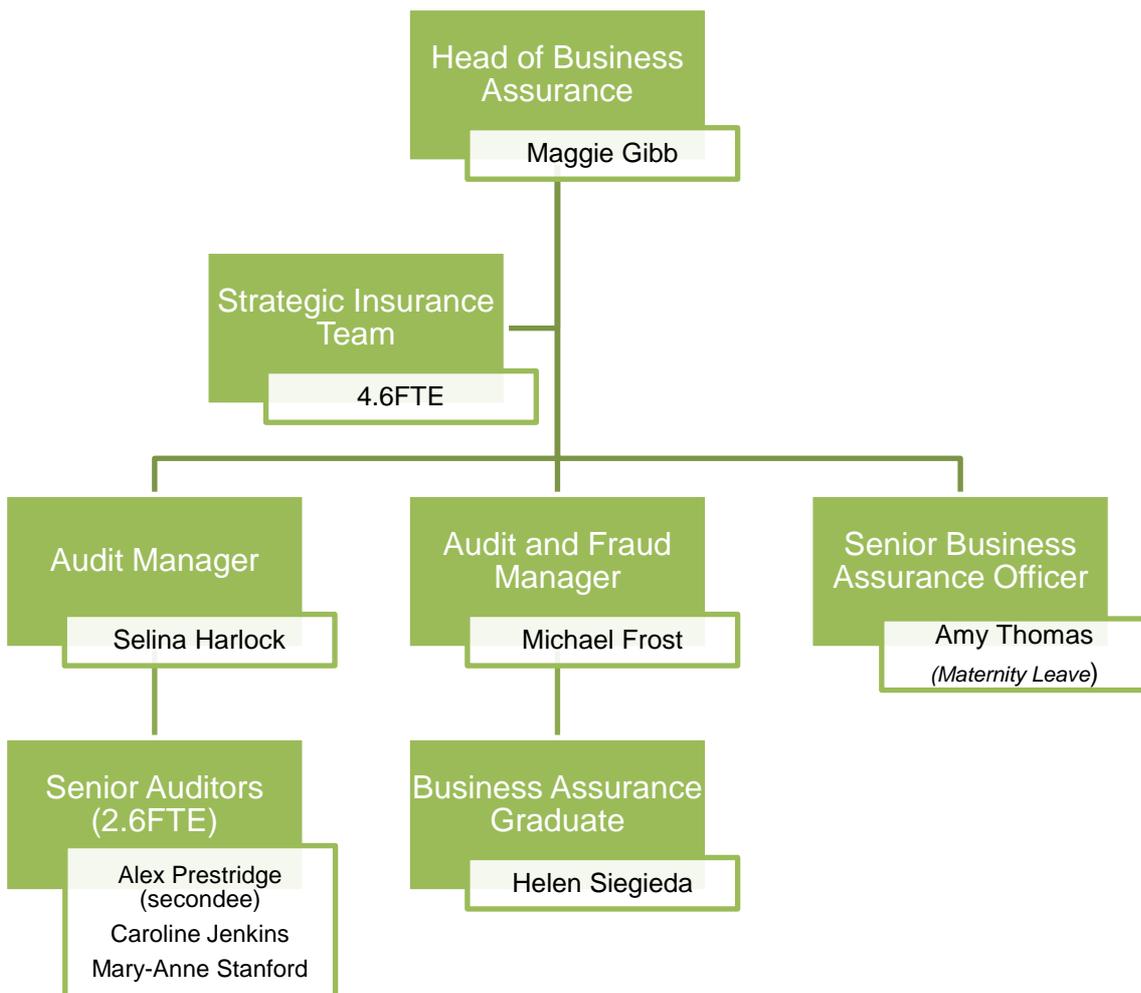
## Introduction

1. The Business Assurance Team is responsible for implementing the Council's Assurance and Risk Strategy through delivery of work programmes covering the following areas of activity:
  - Risk Management;
  - Internal Audit;
  - Counter Fraud; and
  - Assurance.
2. This report outlines the Internal Audit, Risk Management and Assurance work being undertaken by the Business Assurance Team for the year ending 31 March 2020. The Council continues to work towards a combined assurance model, with Internal Audit operating as the third line of assurance. The first line of assurance is achieved by the management controls and systems, and the second line of assurance from the Professional Leads monitoring the key governance frameworks such as finance, HR and IT. The model will continue to become embedded into the governance reporting process during 2019/20, which will include reporting to the Business Unit Boards, Corporate Management Team, Audit Board and the Regulatory and Audit Committee.
3. The 2019/20 Internal Audit, Risk Management and Assurance work plans were produced with reference to the Strategic and Business Unit Risk Registers and informed through discussion with the Senior Leadership Team for each Business Unit. Quarterly meetings with the Business Units, and the Statutory Officers Group continue to take place to ensure that the plan is kept under continuous review to reflect emerging risks and priorities across the Council.
4. Delivery of the Business Assurance work plan helps ensure that there is an appropriate governance and control framework in place and that risk management is embedded across the Council.

5. The priority in the first quarter was to complete the audit activity “carried forward” from the 2018/19 Internal Audit Plan due to a number of unplanned investigations and urgent audit activity placing constraints on the Business Assurance Team. In quarter two the team continued to progress with the current year plan and any pressures/changes have been discussed and agreed at the Audit Board. The changes made to the approved plan have been due to unplanned investigations and reactive audit activity, including unitary assurance work placing constraints on the Business Assurance Team.
  
6. The risk management work plans have been progressing, as the team continues to deliver training across the services; and to co-ordinate the combined assurance reporting which includes monitoring and reviewing the completeness of the management control, (first line of assurance) and the professional lead statements, (second line of assurance). Quarterly updates are also produced for each of the Business Units.
  
7. Counter-fraud remains a key responsibility for the Business Assurance Team to lead on, and the focus has been on overseeing the investigation of NFI data matches, and responding to referrals of suspected fraud and financial irregularity, as well as a programme of pro-active activity, which includes delivery of fraud awareness training across the Council.

## Resources

8. The Business Assurance Team (BAT) is currently carrying one vacancy which is being backfilled through a secondment arrangement. The audit activity is delivered through a mixed economy approach of an in-house team and an outsourced arrangement with Mazars via the APEX London Audit Framework agreement. One Senior Audit is seconded into the Senior Business Assurance Officer role to cover for maternity leave and this post has been backfilled through a resource from Mazars. Mazars are also supporting the BAT in the delivery of IT and other specialist audits.
  
9. The Strategic Insurance Team (4.6FTE) also sits under the management of the Head of Business Assurance, however work delivered by this service is not reported as part of the Business Assurance Team and is managed and overseen separately.



## Risk Management

10. The Business Assurance Team is working closely with the Brexit Task and Finish Group to ensure that all associated risks are considered and business continuity plans are designed/ implemented where necessary. Meetings are being held on a regular basis and where new information or emerging risks are identified this are reflected in the respective service risk registers.
  
11. In quarter one and two, the Business Assurance Team has been working closely with the Procurement Team to help improve how our significant supplier risks are identified, recorded and monitored. A new process has now been agreed and will be rolled out in two phases throughout the year. Phase 1 is the Supplier Financial Viability Risk Register which went live 1 July 2019. How the Supplier Financial Viability process works is that when financial assessments are undertaken by Finance on Platinum Plus/ Platinum/ Gold suppliers, any failures are notified to the relevant Contract Manager / Head of Finance and a risk is added to the new corporate 'Supplier Financial Viability Risk Register'. The Contract Manager then owns the risk and any actions to mitigate the risk. Throughout June and July, over 30 commissioners received training on this new process. Phase 2 will look to identify those suppliers that are 'high risk' for a variety of other reasons (reputational, political, safeguarding, etc.), however this is still being developed and will delivered later in the year.
  
12. The Business Assurance Team in conjunction with Business Intelligence Team has also successfully implemented a new Pentana landing page which for Children's Services was rolled out 15 July 2019. This new landing page will allow easier navigation to the risk / audit / performance sections in Pentana. The new landing also has 'My Responsibilities' section so individuals can now easily locate risks / risks actions / audit actions / performance indicators assigned to them.

## Internal Audit and Counter Fraud

### Internal Audit

13. The Internal Audit Function, supported by Mazars (through the APEX London Audit Framework) has been progressing with the delivery of the approved 2019/20 audit assignments. In Quarters one and two the team have completed nine “carried forward” audits (these were reported as part of the Chief Internal Auditor’s Annual Report), one school audit and nine grant validation reviews; eight audits are currently at draft report stage; and a further seven audits are in-progress.
14. Whilst we have an agreed Internal Audit plan which was approved as part of the Business Assurance Strategy, we have adopted a more fluid approach in the delivery of the audit plan. The Internal Audit activity is continuously reviewed and amended as required and remains flexible to react to emerging issues/ risks.
15. Unitary priorities continue to have substantial impact on the Business Assurance Team and the Internal Audit Plan is continuously being reviewed and updated to reflect the demand on the team resources as well as the services. In particular the Head of Business Assurance is heavily involved in the Risk and Assurance workstream and one Audit Manager is supporting the Finance workstream. Any changes to the audit plan that are requested by the services or are as a result of resourcing pressures within the Business Assurance Team are presented to the Audit Board for approval prior to being reflected on the plan.
16. The Audit Board, chaired by the Director of Finance and Procurement (S151), met on 24 July 2019 and 13 November 2019 and reviewed progress against the Business Assurance Strategy, in particular delivery of the Internal Audit Plan. The Board considered and approved the requests for deferring some audit activity and the resulting impact on resourcing the current plan.
17. The Internal Audit Plan was reviewed with consideration of unplanned activity, and the priority was agreed for each of the remaining audits as follows:

<b>CRITICAL</b>	Audit activity to progress as planned
<b>MEDIUM</b>	Audit activity to be reviewed in Q4 in response to unitary priorities
<b>LOW</b>	Audit activity to be cancelled

18. Any changes to the original 2019/20 Internal Audit Plan are included in the table at Appendix 1 as follows:

Deferred/cancelled audits (as agreed by Audit Board)
New audits (as agreed by Audit Board)

### Counter Fraud

19. Work continues on the NFI. The Counter fraud team continues to work with various teams to facilitate and manage workloads in each work stream.
20. A total of 515 Blue Badges have been cancelled through work on the NFI. This equates to a total potential saving to the council of £296,125. The NFI equate the savings of £575 per Blue Badge cancelled in lost parking revenue. The blue badge focus is ongoing and is being managed by the counter fraud team.
21. A Fraud awareness survey was conducted over the months of July, August and September focusing on promoting the Whistleblowing hotline, and creating an awareness of the ability to report fraud or misconduct anonymously. The survey was specifically short and concise to encourage participation and thereby allowing us to use this as benchmark for future surveys develop future fraud plans. It is worth noting that a determined team effort has resulted in this survey receiving one of the highest returns against past surveys run at BCC. A full report breaking down future areas to focus on and taking into account staff suggestions will be published in December.
22. Proactive fraud awareness sessions continue to be held across the county with the team trying to reach as many departments and business units as possible. The team present fraud training focusing on the definitions of fraud, bribery and corruption and promote the Whistleblowing hotline. We are presenting between one to three sessions per week, as far afield in the county as Black Park and other country parks. The take up and feedback has been positive with an increase in referrals after these sessions. A presentation was made to the employee reps which has resulted in each business unit booking presentations up to and including February 2020.

23. The counter fraud team has engaged with the HR/OD team to be included in the council induction program going forward and plans are in place to continue to work with OD to develop the fraud awareness materials published on our intranet.
24. Promotion of BCC counter fraud programme through various groups such as the Midlands Fraud Group has resulted in our team presenting to other local authorities and have further resulted in the team being asked to submit a proposal to Oxfordshire County Council to manage and support their counter fraud function.
25. Updates on latest software and tools to counter fraud have been shared with our HR department facilitating checks on qualifications prior to employment starting. This strengthens our resolve in preventing prospective employees gaining a job through false qualifications. Further meetings and plans have been booked with HR to allow joint working and support in combating fraud throughout.

## Internal Audit Activity 2019/20 Progress Update Report:

Audit Scope	Allocated Days	Status	Overall Opinion
<b>Resources</b>			
<p><b>HR Income</b>            HR services are marketed and sold to external organisations by the Business Development team on behalf of HR. The billing process is carried out by the Business Support Team and HR income is processed by the Accounts Receivable Team. HR services that generate income for the Council include Payroll Operations, Employee Relations, Occupational Health, courses and ad hoc services including recruitment and DBS checks. For 2018/19 BCC received £2.8m of income for HR services provided to external organisations. The majority of this comes from schools for services purchased through the Council's Shop4Support portal. Other customers who buy the Council's HR services include construction/maintenance companies, social care providers and charities. The audit is reviewing the following risk areas; Policies and Procedures, Governance Arrangements, SLA with customers, Billing, Income Collection, Income Reconciliations, Monitoring and Reporting of Income and Risk Management.</p>	12	Draft Report	<p>N/A            The audit findings are currently being discussed with process owners and management actions are being agreed to address the identified findings.</p>
<p><b>K2 System Application Audit (IT Audit)</b>            K2 is a Corporate Asset Management system that is used by the Property, Projects, Strategic Assets and Strategic Programmes Teams for management of corporate assets. The system manages capital and revenue asset activities including recording work orders for each asset and the associated approvals to enable payment of invoices. The system interfaces with SAP and reconciliations between the two systems are undertaken to ensure that there are no discrepancies. The audit will evaluate the effectiveness of the controls in place for the following risk areas; Application Management and Governance, System Security, Interface Controls and Processing, Data Input, Data Output, Change Controls, System Resilience and Recovery and Support Arrangements.</p>	12	Fieldwork In-Progress	<p>N/A            Testing is still being undertaken.</p>
<p><b>Client Charging Follow-Up</b>            In 2018/19 a limited level of assurance was given because of the issues that were identified, including five high and two medium priority management actions. The follow-up work covered the arrangements currently in place and the areas of controls that were previously found to be weak or ineffective to provide assurance. These include; Policies and Procedures, Streams of Income and Activity Monitoring, Financial Assessments, Charging for Services and Management Information.</p>	5	Draft Report	
<p><b>Respond System Application Audit (IT Audit)</b>            Respond is a relatively new system that was primarily procured to manage corporate complaints. The system is also used for other purposes such as; the management of FOI requests and SARS. The audit will evaluate the effectiveness of the controls in place for the following risk areas; Application Management and Governance, System Security, Interface Controls and Processing, Data Input, Data Output, Change Controls, System Resilience and Recovery and Support Arrangements.</p>	12	Fieldwork In-Progress	<p>N/A            Testing is still being undertaken.</p>

Audit Scope	Allocated Days	Status	Overall Opinion
<b>TEE</b>			
<p><b>LEP Growth Hub Fund (Grant Validation Review)</b>            For the year 2018/19 a £287,000 grant was received from Business, Energy and Industrial Strategy (BEIS) to support the further development of Growth Hubs. The review verified that the amount claimed was correct to expenditure. The review also involved taking a sample of transactions to ensure that the costs claimed were eligible under the grant conditions.</p>	3	Completed	Assurance Opinion is N/A In accordance with grant conditions we confirmed that monies were expended to cover those eligible costs as specified in the grant offer letter.
<p><b>Bus Subsidy Grant</b>            The Local Authority received £464,608 ring-fenced revenue funding in May 2018 for FY 2018/19. The grant is to be used for the supporting bus services or for the provision of infrastructure supporting such services.            The grant review will verify that the grant has been used for eligible expenditure under the grant conditions.</p>	3	Completed	Assurance Opinion is N/A In accordance with grant conditions we confirmed that monies were expended to cover those eligible costs as specified in the grant offer letter.
<p><b>Pot Hole Action Fund and Flood Resilience Fund</b>            BCC received £593,292 capital funding to help repair potholes and to protect local roads from severe weather.            The grant review will verify that the grant has been used for eligible expenditure under the grant conditions.</p>	3	Completed	Assurance Opinion is N/A In accordance with grant conditions we confirmed that monies were expended to cover those eligible costs as specified in the grant offer letter.
<p><b>Safer Roads Fund</b>            BCC received £879,000 from DfT for FY 2018/19 following a successful bid for the funds in 2017.            The grant review will verify that the grant has been used for eligible expenditure under the grant conditions.</p>	3	Completed	Assurance Opinion is N/A In accordance with grant conditions we confirmed that monies were expended to cover those eligible costs as specified in the grant offer letter.
<p><b>Additional Highway Maintenance</b>            The Local Authority received £4,645,000 capital funding in November 2018 for FY 2018/19. The funding is for local highways maintenance, including the repair of potholes, to keep local bridges and structures open and safe, as well as to help aid in other minor highways works that may be needed.            The grant review will verify that the grant has been used for eligible expenditure under the grant conditions.</p>	3	Completed	Assurance Opinion is N/A In accordance with grant conditions we confirmed that monies were expended to cover those eligible costs as specified in the grant offer letter.

Audit Scope	Allocated Days	Status	Overall Opinion
<b>TEE</b>			
<p><b>National Productivity Investment Fund</b>            For FY 2018/19 through Local Transport Capital Block Funding Grant Determination BCC received the first instalment payment of £1,517,760 in April 2018; and the second instalment of £890,500 was received in September 2018. The funding is for the A418 corridor improvements and for the A40 London Road improvements.            The grant review will verify that the grant has been used for eligible expenditure under the grant conditions.</p>	3	Completed	Assurance Opinion is N/A In accordance with grant conditions we confirmed that monies were expended to cover those eligible costs as specified in the grant offer letter.
<p><b>Routewise System Application Audit (IT Audit)</b>            The Routewise system holds all Client Transport information; this includes the client details (journey details) and the contract information (taxi or bus contract with expected costs and period of transport provision). Client Transport includes home to school transport, transport for Special Educational Needs (SEN) pupils, transport required for children in the care of the Local Authority and vulnerable adults requiring transport as required by Adult Social Care. The system interfaces with SAP to enable payments to be made to the providers. The audit will evaluate the effectiveness of the controls in place for the following risk areas; Application Management and Governance, System Security, Interface Controls and Processing, Data Input, Data Output, Change Controls, System Resilience and Recovery and Support Arrangements.</p>	12	Fieldwork In-Progress	N/A Testing is still being undertaken.
<b>Children's Services</b>			
<p><b>Panels Audit</b>            There are five main Children's Panels held on a regular basis which are supported by a number of supplementary and ad-hoc panels. Children's Panels are tasked with making advisory decisions to support Social Care, Education and Health needs for children placed in the Council's care. The services served by the panels had a combined budget of £41 million in 2018-19, the largest of which is the Children's Care Service with a budget of £27 million. The audit review will focus on the Resources Panel as a significant proportion of the services budget is spent supporting the Children that go through this panel. The audit will evaluate the effectiveness of the controls in place for the following risk areas; Policies and Procedures, Governance, Referrals to Panel, Compliance with Panel Processes and Panel Decisions.</p>	10	Fieldwork In-Progress	N/A Testing is still being undertaken.
<p><b>Commissioning of Residential Placements</b>            This audit work will focus on the commissioned placements (children's homes and residential schools) and exclude foster care placements and any other non-commissioned placements. It should also be noted that this work will not cover the panel process as it will be covered as part of a separate audit. For the purpose of this audit, we will assess whether the placement decisions are supported by the panel approval but we will not be examining how the panel arrives at their decisions.</p>	20	Fieldwork In-Progress	N/A Testing is still being undertaken.

Audit Scope	Allocated Days	Status	Overall Opinion
<b>Children's Services</b>			
<p><b>Legal Spend</b></p> <p>During 2018/19, £3.1M (£1.9M for hours in value and £1.2M for disbursements) was spent on the legal costs for Children's Services. The objective of this audit is to examine the internal process in respect of accessing, monitoring and tracking legal advice. The scope of this audit includes, but is not limited to, the following key risk areas of legal costs for Children's Services: Policies and Procedures, Referrals, Initiation and Expectation, Monitoring and Tracking of Referred Cases, Forecasting Legal Costs on Referred Cases.</p>	15	Fieldwork In-Progress	N/A Testing is still being undertaken.
<p><b>Schools Thematic Audit Programme – Quanton CofE Combined School</b></p> <p>Following a review of key systems and process, including an evaluation of prior school audit findings, we selected the HR and Payroll processes as the theme for our 19/20 audit review. Internal Audit carried out a risk assessment and evaluated all LA schools by the following key areas; SFVS returns, high spend on additional payroll costs (e.g. overtime), forecasting, high spend on agency and 'professional services, high % volume of starters and leavers. The outcomes of this assessment resulted in the identification of a sample of schools that will be reviewed as part of the 19/20 agreed theme. The scope of the audit includes the following risk areas; HR Governance, Recruitment and Performance, Payroll and Data Security.</p>	6	<b>Final Report (Reasonable)</b>	<p>The Quanton Church of England School HR Processes Audit provided a <b>Reasonable</b> level of assurance. There is a good system of internal control in place which should ensure objectives are generally achieved, but some issues were identified. These include;</p> <ul style="list-style-type: none"> <li>- Out dated Pay Policy, Whistleblowing Policy, Governing Body Standing Orders.</li> <li>- Absence of a Finance Manual</li> <li>- Failure to undertake staff appraisals</li> </ul>
<p><b>Schools Thematic Audit Programme – Grendon Underwood Combined School</b></p> <p>Following a review of key systems and process, including an evaluation of prior school audit findings, we selected the HR and Payroll processes as the theme for our 19/20 audit review. Internal Audit carried out a risk assessment and evaluated all LA schools by the following key areas; SFVS returns, high spend on additional payroll costs (e.g. overtime), forecasting, high spend on agency and 'professional services, high % volume of starters and leavers. The outcomes of this assessment resulted in the identification of a sample of schools that will be reviewed as part of the 19/20 agreed theme. The scope of the audit includes the following risk areas; HR Governance, Recruitment and Performance, Payroll and Data Security.</p>	6	Draft Report	N/A The audit findings are currently being discussed with process owners and management actions are being agreed to address the identified findings.
<p><b>Schools Audit Programme – William Harding Combined School</b></p> <p>The Head Teacher was new in post September and has requested an audit review of the financial management and procedures at the school. The audit reviewed the key financial risk areas within the school including governance and data security.</p>	8	Draft Report	N/A The audit findings are currently being discussed with process owners and management actions are being agreed to address the identified findings.

Audit Scope	Allocated Days	Status	Overall Opinion
<b>Children's Services</b>			
<p><b>Families First Claims – Claim 1</b>            The Troubled Families Programme is supporting families with multiple and complex problems; changing lives and services for the better. The programme uses the payments by results methodology, such that the Local Authority is able to claim funds based on the outcomes achieved. In May 2019 the claim made was for:            55 families making 'Significant and Sustained Progress' £44,000            19 families who have moved off benefits and into 'Continuous Employment' £15,200. Total claim of £59,200.            The audit review verified that the amount claimed was correct to expenditure. The review also involved taking a sample of transactions to ensure that the costs claimed were eligible under the grant conditions.</p>	3	Completed	<p>Assurance Opinion is N/A            In accordance with grant conditions we confirmed that monies were expended to cover those eligible costs as specified in the grant offer letter.</p>
<p><b>Families First Claims – Claim 2</b>            The Troubled Families Programme is supporting families with multiple and complex problems; changing lives and services for the better. The programme uses the payments by results methodology, such that the Local Authority is able to claim funds based on the outcomes achieved. In June 2019 the claim made was for:            82 families making 'Significant and Sustained Progress' £65,600            9 families who have moved off benefits and into 'Continuous Employment' £7,200. Total claim of £72,800            The audit review verified that the amount claimed was correct to expenditure. The review also involved taking a sample of transactions to ensure that the costs claimed were eligible under the grant conditions.</p>	3	Completed	<p>Assurance Opinion is N/A            In accordance with grant conditions we confirmed that monies were expended to cover those eligible costs as specified in the grant offer letter.</p>
<p><b>Families First Claims – Claim 3</b>            The Troubled Families Programme is supporting families with multiple and complex problems; changing lives and services for the better. The programme uses the payments by results methodology, such that the Local Authority is able to claim funds based on the outcomes achieved.            The September claim is being reviewed and the audit will verify that the amount to be claimed is correct and eligible under the grant conditions.</p>	3	Completed	<p>Assurance Opinion is N/A            In accordance with grant conditions we confirmed that monies were expended to cover those eligible costs as specified in the grant offer letter.</p>

Audit Scope	Allocated Days	Status	Overall Opinion
<b>CHASC</b>			
<p><b>Implementation of Medications Policy (Commissioned Services)</b></p> <p>Medicines support is any support that enables a person to manage their medicines. In practical terms, this covers; prompting or reminding people to take their medicines; helping people remove medicines from packaging; and administering some or all of a person's medicines. For services that are commissioned by Buckinghamshire County Council (BCC), they should have robust medicines support processes in place; that medicines are administered safely and appropriately following the National Institute for Health and Care Excellence (NICE). The scope of the audit will include the following risk areas; Medications Policy and Procedures, Recording of Medications, Training of Staff, Storage, Monitoring Compliance against the Medications Policy; and Concerns and Incidents with Medications.</p>	12	Draft Report	<p>N/A</p> <p>The audit findings are currently being discussed with process owners and management actions are being agreed to address the identified findings.</p>
<p><b>Income Processes</b></p> <p>The main source of income for CHASC include library fees, non-residential charges, residential charges, Centre for Buckinghamshire Studies and Registration Services. In 2018-19, the planned income for CHASC was £35M. In order to ensure that CHASC collects all of the income that is due from the services offered, it is important that a robust income process is maintained. The scope of the audit will include the following risk areas; Policies and Procedures, Customer Data Maintenance, Record of Income Generating Activities, Invoicing and Client Debt Management.</p>	10	Fieldwork In-Progress	<p>N/A</p> <p>Testing is still being undertaken.</p>
<p><b>Virtual Wallet</b></p> <p>Direct Payments are provided to individuals to enable them to gain independence, flexibility, choice and control over how they meet their assessed eligible care needs. There are three ways in which a Direct Payment can be paid: through transfer to a bank account set up by the service user, via a pre-paid card issued on behalf of the Council or through an online Virtual Wallet account. As of March 2019, 60% of the Council's Direct Payment service users received their Direct Payment through the Virtual Wallet system. The Virtual Wallet provider, PCG, holds the funds on behalf of Direct Payment recipients in a client bank account. The account can be managed by the client, their representative or the Virtual Wallet team. The service user's care schedule is entered onto the system showing who is providing the care, when and how much it costs. The Council has responsibility for ensuring that an individual's care needs are assessed appropriately, a Care Plan is in place and that the Virtual Wallet Direct Payment is spent to meet the identified needs.</p>	15	Draft Report	<p>N/A</p> <p>The audit findings are currently being discussed with process owners and management actions are being agreed to address the identified findings.</p>

Audit Scope	Allocated Days	Status	Overall Opinion
<b>CHASC</b>			
<p><b>Budget Management</b></p> <p>The Adult Social Care budget need is growing to reflect demographic changes. In particular there is an increased life expectancy with a linked increase in complexity of need and an increase in the numbers of people who have paid for their own care but have depleted their funds. For Adult Social Care in 2018-19 the planned spend was £132M (38.4% of the Council total). For 2019-20, this has been increased to £136M. For Community Services the planned spend was £9.04M in 2018-19 and £9M in 2019-20, a reduction was required to meet the Council's needs to prioritise spend in other areas such as adult social care. The audit work will focus on the Adult Social Care budget given the high level of spend and the controls in the following risk areas will be reviewed; Roles and Responsibilities, Policies and Procedures, Spend Data, Budget Monitoring and Forecasting, Management of Budget Variances and Reporting.</p>	10	Draft Report	<p>N/A</p> <p>The audit findings are currently being discussed with process owners and management actions are being agreed to address the identified findings.</p>
<p><b>Deprivation of Liberty Safeguard (DoLS)</b></p> <p>DoLS ensures people who cannot consent to their care arrangements in a care home or hospital are protected (i.e. kept safe from harm) if those arrangements deprive them of their liberty. Arrangements are assessed to check they are necessary and in the person's best interests. Representation and the right to challenge a deprivation are other safeguards that are part of DoLS. It was noted that prior to 2014, BCC was completing assessments and making authorisations within the required timescales. However since 2014, there has been an increase of referrals that has led to a backlog of assessments and authorisations being made. This is a national issue amongst many other local authorities. The scope of the audit includes the following risk areas; DoLS Referrals, Monitoring of DoLS, DoLS Authorisations, DoLS Training and Checks for Assessors, DoLS Record Keeping.</p>	10	Draft Report	<p>N/A</p> <p>The audit findings are currently being discussed with process owners and management actions are being agreed to address the identified findings.</p>

## Internal Audit - Management Actions

26. All of the BUs continue to engage with the audit process, and were in full agreement with the actions raised to improve the control environment. All audit actions are closely monitored through the Council's Corporate Audit Action Tracker (Pentana), and progress is reported on a quarterly basis to the BU SLT/Board meetings and CMT Budget Board. All limited and partial assurance audit areas are subject to a detailed follow-up audit during the following financial year to obtain evidence that the weaknesses have been addressed. Should there be any delays in implementing the actions, or any other concerns brought to the attention of Internal Audit, then these will be escalated to the Service Directors and Executive Directors as appropriate.
27. The current status of audit actions is as follows; a total of 436 management actions have been raised on the system, of which 386 have been completed (90%), 21 are in progress (4%) and 29 are overdue (6%).
28. This demonstrates that the Business Units are fully engaged with the audit process and the responsible officers are taking accountability for implementing the actions. Action owners receive an automatic trigger 10 days before the audit actions is due, and then on the due date if the action has not been updated.
29. The status of **ALL (FY 2017/18 to date)** audit actions in the Pentana Risk, Audit and Performance System is summarised below and Appendix 2 (private paper) provides the detailed summary of the management actions that are overdue:

	CHASC	CS	Resources	TEE
Overdue	9	0	18	2
In Progress	5	7	6	3
Completed	57	118	191	20
<b>Total</b>	<b>75</b>	<b>125</b>	<b>211</b>	<b>25</b>

*\*Status as at 12 November 2019*

Maggie Gibb,  
Head of Business Assurance (and Chief Internal Auditor)  
November 2019

# APPENDIX 1

## Regulatory & Audit Committee April 2019 - Progress against 2018/19 Internal Audit Plan

Audit	Timing	Progress as at 12 November 2019	Priority as agreed at Audit Board 24 July 2019
<b>Cross Cutting</b>			
National Fraud Initiative	Q1-Q4	On-going	<b>CRITICAL</b>
Pro-Active Anti-Fraud Activity (incl. Continuous Auditing)	Q1-Q4	On-going	<b>CRITICAL</b>
Contract Audits	Q1-Q4	Planning in progress	<b>CRITICAL</b>
Debt Management	Q3-Q4	Planning in progress	<b>CRITICAL</b>
Governance	Q2	Deferred (agreed by Audit Board)	<b>LOW</b>
Unitary Transition	Q1-Q4	On-going	<b>CRITICAL</b>
<b>Resources</b>			
K2 System – Application Audit	Q2	Fieldwork in progress	N/A
HR Income	Q2	Draft Report	<b>MEDIUM</b>
Property and Capital Programme Governance	Q1	Deferred (agreed by Audit Board)	<b>LOW</b>
Procurements	Q1	Deferred (agreed by Audit Board)	<b>LOW</b>
Pensions	Q4	Planning in progress	<b>MEDIUM</b>
Key Financial Systems	Q4	Planning in progress	<b>MEDIUM</b>
Respond System – Application Audit	Q2	Fieldwork in progress	<b>MEDIUM</b>
Information Management and Data Quality	Q3 - Q4	Planning in progress	<b>CRITICAL</b>
Client Charging Follow-up	Q2	Draft Report	<b>MEDIUM</b>
Feeder Systems Follow-up	Q3	Planning in progress	<b>MEDIUM</b>

Audit	Timing	Progress as at 122 November 2019	Priority as agreed at Audit Board 24 July 2019
<b>TEE</b>			
Transport for Buckinghamshire (TfB)	Q3-4	Planning in progress	<b>CRITICAL</b>
LEP Governance	Q4	Planning in progress	<b>CRITICAL</b>
Safer Roads Fund Grant	Q2	<b>Grant Verification complete</b>	N/A
LEP Growth Hub	Q1	<b>Grant Verification complete</b>	N/A
Pot Hole Grant Fund	Q2	<b>Grant Verification complete</b>	N/A
Bus Subsidy Grants	Q2	<b>Grant Verification complete</b>	N/A
Additional Highway Maintenance	Q2	<b>Grant Verification complete</b>	N/A
PATROL (Compliance Review)	Q4	Planning in progress	<b>CRITICAL</b>
Local Transport Capital Funding	Q3	Planning in progress	<b>CRITICAL</b>
National Productivity Investment Fund	Q2	<b>Grant Verification complete</b>	N/A
Client Transport Deep Dive Review	Q4	Planning in progress	<b>CRITICAL</b>
Routewise System Audit	Q2	Fieldwork in progress	N/A
<b>CHASC</b>			
Implementation of Medications Policy (Commissioned Services)	Q2	Draft Report	N/A
Implementation of Medications Policy (In-house Services)	Q3/4	Planning in progress	<b>MEDIUM</b>
Quality Assurance Framework (QAF)	Q3/4	Planning in progress	<b>CRITICAL</b>
Integrated Commissioning	Q4	Planning in progress	<b>CRITICAL</b>
Income Processes	Q2	Fieldwork in progress	N/A
Virtual Wallet	Q2	Draft Report	N/A
Budget Management	Q2	Fieldwork in progress	N/A

Audit	Timing	Progress as at 12 November 2019	Priority as agreed at Audit Board 24 July 2019
<b>CHASC</b>			
Disabled Living Grant	Q3	Planning in progress	<b>CRITICAL</b>
Deprivation of Liberty Safeguard (DoLS)	Q2	Draft Report	N/A
CHC Follow-Up	Q3	Planning in progress	<b>MEDIUM</b>
Seeleys Follow-Up	Q3/4	Planning in progress	<b>CRITICAL</b>
<b>Children's Services</b>			
Budget Management	Q4	Planning in progress	<b>MEDIUM</b>
Legal Spend	Q2	Fieldwork in progress	N/A
Housing of Care Leavers	Q3	Planning in progress	<b>MEDIUM</b>
Early Years 3/4yr entitlement	Q4	Deferred (agreed by Audit Board)	<b>LOW</b>
Families First – Claim 1	Q1	<b>Grant Verification completed</b>	<b>CRITICAL</b>
Families First – Claim 2	Q2	<b>Grant Verification completed</b>	<b>CRITICAL</b>
Families First – Claim 3	Q2	<b>Grant Verification complete</b>	N/A
Safeguarding Board	Q4	Defer to 19/20 as there is new statutory guidance that has been introduced that is currently being implemented and new chair was appointed August 2019, need to give him time to settle into the role.	<b>CRITICAL</b>
Schools – Thematic Audit Programme	Q2 – Q4	Fieldwork in progress	N/A
Commissioning Residential Placements	Q2-3	Fieldwork in progress	<b>CRITICAL</b>
Panels Audit	Q2	Fieldwork in progress	N/A



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