

Unconfirmed minutes – subject to approval/amendment at the next meeting of the Regulation, Audit and Accounts Committee

Regulation, Audit and Accounts Committee

1 December 2014 – At a meeting of the Committee held at 2.15 p.m. at County Hall, Chichester.

Present: Mr Bradbury, Ms James, Mr Lanzer, Mrs Millson (Chairman), Mr Patel and Mr Rae

Mr Brown (Cabinet Member for Finance) was in attendance.

Apologies were received from Mr M Jones.

Declarations of Interest

69. None declared.

Minutes

70. Resolved – That the minutes of the Committee held on 26 September 2014 be approved as a correct record and that they be signed by the Chairman.

Update on Improvements to Data Protection Measures

71. The Committee considered a report by the IT Policy, Strategy and Security Manager (copy appended to the signed minutes). Mr Mezulis (IT Policy, Strategy and Security Manager) advised that 42 of the 54 Information Commissioner (ICO) recommendations had been completed and the remainder were underway. The benefits of the completed actions had already been recognised by the County Council.

72. The Committee raised the following issues/questions:

- Security software for remote access; *Mr Lewis (Executive Director Corporate Resources and Services) advised that this related to the security issue if members did not log on to the network within 30 days. This was not an ICO recommendation but a requirement of the public accreditation scheme. One member suggested that this should be added as a recommendation.*
- Progress with providing remote access through personal devices; *Mr Mezulis advised that a cautious approach was being taken to ensure the pilot project is successful and the right level of security is in place. Further checks were needed particularly for dual-hatted members as other organisations/authorities have different levels of security. Consequently there was no timescale for the roll out of this facility.*

73. Resolved – That the progress being made by the IT service to implement the recommendations of the ICO Audit is noted.

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Annual Governance Statement Update

74. The Committee considered a report by the Executive Director of Corporate Resources and Services and Director of Law, Assurance and Strategy (copy appended to the signed minutes). Mr Gauntlett (Senior Advisor Democratic Services) advised that many of the actions had now been completed and progress had been made. A further update will be submitted to the Committee at its meeting in March 2015.

75. The Committee raised the following issues/questions:

- Progress with improved public accessibility though the County Council's website and how this would be monitored and scrutinised; *Mr Mezulis advised that work was being taken forward through the Customer Experience Programme. The Beta version of the County Council's website with more refined services was now available. Progress was being made towards more on-line service delivery. Mr Lewis advised that website design was delivered by the Residents' Services Directorate and that appropriate scrutiny would take place. The business case for the Customer Experience Programme would be scrutinised by the Performance and Finance Select Committee in March 2015.*
- Annual Governance Statement and Select Committee consultation; The Committee agreed that a draft is sent to Select Committee Chairman to see if they were aware of any significant omissions from the Statement from their scrutiny work.
- Progress with the Confidential Reporting Policy; *Mr Lewis advised that this work was on-going and the induction of the new directors would encompass awareness of the corporate standards.*
- Security risks/incidents and level of member involvement; *Mr Mezulis advised that there was an upward trend in incidents but this was likely to be because there was more awareness of what to report. There was liaison with other local authorities to ensure that information about scams or targeted attacks was shared. Central Government provide regular circulars. Such information can and has been shared with members via the MINE. The Committee agreed that a letter signed by the Chairman of RAAC and the Cabinet Member for Corporate Relations be sent to members encouraging them to attend future security briefings.*
- Data Security; *Mr Mezulis advised the Privacy Impact Assessment was a checklist of questions to ensure that the sensitivity of data security is properly understood.*

76. Resolved - That progress with the Annual Governance Statement is noted.

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External Audit Report

77. The Committee considered a letter from the External Auditor EY (copy appended to the signed minutes). Kate Handy of EY advised the Committee that the letter was a summary of the actions agreed at the meeting of RAAC in September. The actions had now been completed.

78. Resolved - That the Annual Audit Letter from the External Auditor is noted.

Internal Audit Report

79. The Committee considered a report by the Executive Director Corporate Resources and Services and Head of Internal Audit (copy appended to the signed minutes). Mr Jones (Head of Internal Audit) introduced the report and advised that there had been two audit reviews which had received a limited assurance opinion, Adults' Services Customer Financial Administration and Risk Management arrangements.

80. The Committee raised the following issues/questions:

- Performance has always been poor for risk management, would the recommendations make a difference?; *Mr Jones advised that the whole system did need an overhaul, there were strong policies in place but changes in staff and systems resulted in poor performance in many areas. Mr Lewis advised that Baker Tilly was going to be advising the County Council on its approach to risk management. Risk Management issues will be reported via the performance framework and was fundamental to the organisation achieving its objectives.*
- Resource availability for internal audit; *Mr Jones advised that some temporary staff were being used for establishment audits to cover for posts that had been held vacant. The team would be at full strength in the New Year.*
- Recommendations for Adults' Services financial administration; *Mr Starns (Acting Operations Manager – Provider Services) advised that the recommendations had all been accepted and a programme of training in place particularly with regard to the mental capacity assessment. Also working with the CQC. All messages are on target to be delivered by April 2015.*

81. Resolved – That the report is noted.

Anti-Fraud and Corruption Strategy – Policy Statement

82. The Committee considered a report by the Executive Director Corporate Resources and Services and Head of Internal Audit (copy appended to the signed minutes). Mr Jones advised that there were no significant changes to the Policy, but changes had been made to bolster procurement arrangements and to security training.

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83. Resolved – That the revised Anti Fraud and Corruption Strategy – Policy Statement is approved.

Production and External Audit of the Financial Statements 2014/15

84. The Committee considered a report by the Executive Director Corporate Resources and Services and Head of Corporate Finance. Ms Chuter (Chief Accountant, Corporate Resources and Services) advised that new arrangements are proposed following concerns raised by the Committee about the timing and availability of the financial statements in 2014. Both EY and the County Council will bring the timetable forward for the benefit of both parties.

85. One member of the Committee was concerned that the report did not include a timetable (Minute 46(4) refers). Mr Lewis apologised for this omission and assured the Committee that the draft accounts for 2014/15 would be available for the Committee to consider in June 2015. Kate Handy (EY) confirmed that EY would start the external audit in July and the final report would be available in good time ahead of the September meeting to enable members to thoroughly scrutinise the financial statements.

86. Resolved – That

(1) The draft financial statements for 2014/15 will be available for consideration at the June meeting of RAAC, and

(2) The plan to start the external audit of the financial statements promptly in July 2015 is noted.

Treasury Management Compliance Report – Second Quarter 2014/15

87. The Committee considered a report by the Executive Director Corporate Resources and Services and Head of Corporate Finance (copy appended to the signed minutes). Ms Chuter introduced the report and advised that in the second quarter 2014/15, the County Council had complied with its legislative and regulatory requirements with no breaches of the Treasury Management Strategy during the period.

88. Mr Brown thanked the Finance Team for almost achieving the modest investment target, a difficult task when interest rates are so low.

89. Resolved – That the report is noted.

Update on Risk Management Arrangements

90. The Committee considered a report by the Executive Director Corporate Resources and Services and Head of Corporate Finance (copy appended to the signed minutes). Mr Lewis introduced the report which reflected the importance for the County Council to have a more serious and rigorous approach to risk management. The key issues had been already been discussed under Item 7 on the agenda.

91. Resolved – That the report is noted.

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Date of Next Meeting

92. The Committee noted that its next scheduled meeting will be held at 2.15 pm on Monday 16 March, at County Hall, Chichester.

The meeting ended at 3.40 p.m.

Chairman