

**Regulation, Audit and Accounts Committee**

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

Present: Mr Sheldon (Chairman), Mr Bradbury, Ms James, Mr Lamb, Mr Lanzer, Mr Patel and Mr Rae.

In attendance by invitation: Mr Brown (Cabinet Member for Finance)

**Declarations of Interest**

94. Mr Bradbury declared a personal interest in Item 4 as his wife is a teacher at a West Sussex school.

**Minutes**

95. Resolved – That the minutes of the Committee held on 2 December 2013 be approved as a correct record and that they be signed by the Chairman.

**External Audit Report – Certification of claims and returns annual report 2012-13**

96. The Committee considered a report by the external auditor (copy attached to the signed minutes) which summarised the results of the External Auditors' work on the West Sussex County Council teachers' pension return 2012-13..

97. The report was introduced by Kate Handy of EY external auditors who was pleased to advise that the pension return had been certified without qualification.

98. Members requested assurance that the County Council had taken note of the procedural errors highlighted by EY discovered whilst carrying out the work required for the return. *Tim Stretton, Head of Corporate Finance, confirmed that appropriate measures had been taken to avoid these mistakes happening again.*

99. Resolved that: - the Committee notes the report.

**Internal Audit Report**

100. The Committee received a report by the Director of Finance and Assurance (copy attached to the signed minutes). The report was introduced by Gavin Jones, Head of Internal Audit.

101. The following points were raised in discussion. Members: -

- Queried which categories of individual had been identified by HM Revenue and Customs as being reimbursed using the incorrect procedure and how this had occurred. *Mr Jones advised that the two categories were adoption panel members and school improvement partners. He was*

## Agenda Item Number 2

*unaware of the exact circumstances leading to this error occurring so agreed to investigate and update Members accordingly.*

- *Wondered how the improvements made as a result of the audit report of the Capital Programme Management would impact on the works done by the County Council's PropCo. The Cabinet Member for Finance indicated that the processes now in place for the Capital Programme Management would also be followed for PropCo. A PropCo panel was also in place to oversee governance and the Performance and Finance Select Committee carried out scrutiny. Ms Handy advised that, although the external audit plan was still to be finalised, it was likely to cover the arrangements for setting up PropCo. Should any concerns be raised as a result of this audit these would be brought to RAAC. Members indicated that they were satisfied that robust arrangements appeared to be in place in relation to PropCo.*
- *Requested clarification in relation to progress with the outstanding and overdue medium priority internal audit recommendations and raised concern that some appeared to be two years out of date. Mr Jones highlighted that a further, more detailed update on progress against medium priority recommendations would be provided at the next meeting of the Committee in June. At this point, should there still be issues outstanding, a representative of the service would be required to attend and explain to the Committee what measures were being taken to resolve these.*
- *Asked whether the County Council actively sought to obtain a financial contribution from those parents, in employment and able to pay, whose children were looked after, to put towards the costs associated with their child's care. Annie MacIver, Head of Children's Social Care, explained that that this did not occur as other LA's who had piloted such an approach had found that the costs of administering a charging scheme exceeded the revenue collected. In this respect it is not economically viable to adopt such a scheme. It was suggested that the Member concerned raised this matter with the Cabinet Member for Children – Start of Life.*

102. Resolved: -That the report be noted.

### **Annual Governance Statement – Update on current Annual Governance Statement Action Plan**

103. The Committee considered an update on the current Annual Governance Statement Action Plan (copy attached to the signed minutes).

104. Roland Mezulis, IT Policy, Strategy & Security Manager, highlighted that the majority of issues raised by the Information Commissioners Office (ICO) data protection audit had been addressed; of the 54 items, only 8 would not have been commenced by the end of April. Measures taken or to be implemented included introduction of mandatory e-learning for staff, creation of an asset register of equipment, an automated system for movers and leavers to keep track of equipment/data access as staff either changed job or left the authority and an assessment of information sharing protocols to ensure data sharing, for example between the health service and the County Council, was as secure as possible.

## Agenda Item Number 2

105. Members were encouraged by the progress made and requested that an update be brought to the December meeting of the Committee to ascertain the effectiveness of the measures introduced.

106. Resolved that: -

- (1) The Committee notes the update
- (2) That the Committee receives an update at its meeting in December 2014 to ascertain effectiveness of the data protection measures introduced.

### Draft Annual Governance Statement

107. The Committee considered a report by the Director of Finance and Assurance and the Head of Law and Governance (copy attached to the signed minutes). The Head of Law and Governance introduced the report highlighting that a proposed new feature of the statement was inclusion of sources of assurance and information on when these were last reviewed.

108. The Committee welcomed the clear, easy-to-read format of the document and the fact that those responsible for actions were clearly identifiable. They supported the proposal set out in the Action Plan to improve the transparency of the Total Performance Monitor and highlighted that the reference to Care Commissioning Groups required correcting to Clinical Commissioning Groups.

109. Resolved that: The Committee supports the draft annual governance statement and draft action plan.

### Information Security Challenges

110. The Committee received a presentation by the IT Policy, Strategy and Security Manager (copy attached to the signed minutes) which set out some of the threats to information security the County Council had to manage.

111. The following issues were raised in discussion. Members: -

- Were pleased to learn that key performance indicators had been built into the Support Services Outsource contract to encourage employees to report loss of data.
- Queried where email data storage was held. *Roland Mezulis advised that a requirement of the Capita contract was to store data within the European Union.*
- Welcomed the fact that the IT e-learning modules would be available for Members to access but suggested that a more formal refresher training session, to update Members on developments since the May 2013 induction IT training, should be arranged.

112. Resolved that: -

- (1) The Committee notes the briefing
- (2) The Committee suggests consideration be given to including a training session on IT security within the Member Development programme.

**Treasury Management Compliance Report – Third Quarter 2013/14**

113. The Committee received a report by the Director of Finance and Assurance (copy attached to the signed minutes).

114. Members welcomed current compliance and indicated that they would benefit from some formal training to assist in better interpreting the information contained within the quarterly Treasury Management Report. *Vicky Chuter, Chief Accountant, confirmed that options for providing a training session on this subject would be progressed and Members informed when a suitable date was identified.*

115. Resolved – That the report be noted.

**Financial Statements 2013/14 – Plans and Progress**

116. The Committee received a report by the Director of Finance and Assurance and the Head of Corporate Finance (copy attached to the signed minutes).

117. The report was introduced by Vicky Chuter, who indicated that all targets within the project plans for closure of the 2013/14 accounts for the County Council and West Sussex Pension Fund had been met so far. The plan used last year had worked well so this had been enhanced and revised to reflect requirements for use this year. Kate Handy indicated that she was content with the detailed plan and risk register for the closure process.

118. Members requested clarification in relation to the red risks highlighted in the plan. *Mrs Chuter indicated that these were highlighted as red due to the scale of the impact they would cause if they occurred.*

119. Resolved that: -

- (1) The Committee note the project plans for the County Council and Pension Fund Accounts
- (2) The Committee approve the draft accounting policies for both the County Council and Pension Fund accounts for 2013/14 for application in preparing this year's accounts.

**Work Programme 2014/15**

120. The Committee received a programme from the Head of Law and Governance (copy appended to the signed minutes) which set out the proposed work programme for the year.

## **Agenda Item Number 2**

121. Members agreed that, in addition to those items detailed, the possibility of receiving a report on the setting of termination payments at a future meeting of RAAC should be investigated.

122. Members also requested that consideration be given to including a training session on discretionary grants offered by the County Council in the Member Development programme.

123. Resolved –That the Committee agrees the proposed work programme for the 2014/15 year with inclusion of the item noted in minute 121 above.

### **Date of Next Meeting**

124. The Committee noted that its next scheduled meeting will be held at 2.15 p.m. on 23 June 2014, at County Hall, Chichester.

The meeting ended at 4.01 p.m.

Chairman