Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Arval Fuel Cards	Expenditure via the Arval Fuel Card system is around £325k per annum. It is a cashless system and the company is reimbursed via a single fortnightly invoice. Most, but not all cards are restricted for use for fuelling a single SCC vehicle.	Overall, the controls over the use of fuel cards are robust. Minor improvements are needed to:  - better evidence the authorisation of any new fuel cards requested to ensure that budget holders approve applications for cards; and - monitor cards which are not being used or are to be cancelled.	Effective	Accounts Payable staff to develop a standard authorisation form for requests for new cards. Only properly completed and authorised forms from recognised budget holders should be processed. (M)

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Honoraria Payments in Schools	Teaching staff in Surrey maintained schools are paid under national statutory guidance called the 'School Teachers Pay and Conditions Document 2011 and Guidance on School Teachers Pay and Conditions' The guidance states in bold, "The Document does not provide for the payment of bonuses or so called 'honoraria' in any circumstances." This provision applies only to teaching staff, and not support staff.	The audit found evidence of incorrect payments, including bonus awards, payments that may not have been correctly authorised, incorrect completion of TP2 claim forms by the school, and/or possible miscoding of legitimate payments by payroll staff in the Shared Services Centre. It was also noted by the auditor that the guidance for the TP2 forms wrongly showed honorarium as an example of an additional payment that may be made to teaching staff.  Where payments to teachers were for legitimate reasons but incorrectly coded as honorarium these will not have been treated properly for superannuation purposes.  In financial year 2011/12 a total of £120,000 coded as honorarium has been paid to Surrey schoolteachers, across 45 schools.	Unsatisfactory	Payroll team to cease processing any payments to teachers that have been coded as honorarium. (H)  A communication should be sent to all schools reminding them of the statutory guidance regarding payments to teaching staff. (H)  Schools to supply evidence to support payments made, including evidence to support any proposed recoding. (H)  Redesign the TP2 form to prevent payments to teachers being coded as honorarium. (H)  Follow-up payments identified through this audit to determine whether they are legitimate (and therefore superannuable) or unlawful. (H)  Where unlawful payments have been made agree next steps (which may include repayment of monies). (H)  Where payments are legitimate but miscoded, assess the pension contributions implications. (H)

Audit	Background to review	Key findings	Audit opinion	Recommendations for improvement (Priority) (2)
Honoraria Payments in Schools (contd)				Consider how employee pension contributions due as a result of miscoding of payments to teachers, should be recovered. (H)  Consider whether previously submitted annual grant returns for teachers' pensions need to be re-opened and corrected. (H)  Remind school governors of their responsibilities for staff remuneration. (H)  A further review of the specific controls in place should be undertaken to improve the overall arrangements. (H)

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Data Protection Compliance	SCC is registered with the Information Commissioners Office (ICO) as a data controller and is responsible for the safe storage, transfer and disposal of personal information for staff, members and also residents who are in receipt of a service from SCC.	Good levels of service specific data protection training has been provided but there appear to be some gaps in a full roll-out of training, particularly regarding locums and agency staff.  SCC has not been corporately reporting its performance on responding to Subject Access Requests within the 40 day target. Children's Services were missing this target and therefore monitoring was centralised under the Children's Service Information Governance Team from 1 March 2012.  Some problems exist within Children's Services on the updating of the ICS system with the current location of files. Tighter controls are needed over files being taken home.	Some Improvement Needed	ASC and CSF to identify minimum data protection training options for all locums involved in handling the most sensitive information. Locum take-up of such training should be assessed twice-yearly. (M)  Develop a report on the Authority's overall performance on meeting the deadline to respond to Subject Access Requests and report corporately. (M)  Review procedures for transferring Children's Services files and remind staff to update ICS when they transfer a file. (M)  There were 14 other medium priority recommendations arising from this audit.

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Surrey Education Trust	As part of the council's change to a joint venture partnership company providing support to schools an educational trust was proposed to enable part of the profits realised to be provided for educational learning purposes by way of grants. The audit was to look at the progress of the trust.	There has been a delay in establishing the trust due to a number of circumstances viz; profits (dividends) not being released in the early years because of set up costs; changes in the partner company in the joint venture; and, other administrative delays. The trust has yet to attain charity status although it has been registered as a company with Companies' House.  This delay has prompted thoughts on whether there is a more effective way of providing the grants.	Some Improvement Needed	Reach agreement on how funds should be disbursed, ensuring there are clear parameters and widespread communication so that all who may apply for a grant are aware. (M)
Retiring head teachers' pay	Schools have a responsibility to set the pay range and additional payments for staff including head teachers. This audit review sought to provide assurance that salary payments made close to retirement were correct and not inappropriately enhancing pension benefits.	The vast majority of cases in the sample (71) showed no evidence of inappropriate payments. There were a few anomalies that need a follow up in the autumn term to ensure controls are seen as totally effective	Some Improvement Needed	Schools and learning finance to liaise with Babcock 4S to complete follow up enquiries with a few schools in the autumn term 2012 to ensure payments made were correct. (M)

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Babcock4S Contract	This audit specifically focussed on the corporate governance arrangements and the interactions between staff of the two organisations.	If information flows are excessively complex, there is the increased risk that information will not reach the relevant or appropriate officer or decision maker in a timely or efficient manner.  If succession planning is not undertaken, in the event of an unexpected absence, there is an increased risk that key information flows would be disrupted.	Effective	It is recommended that Schools and Learning use the mapping exercise to identify where information flows are excessively complex.  It is recommended that succession planning be looked at as part of the business continuity arrangements.
Fire Station audits	Auditors visited four fire stations to obtain written, verbal and observational evidence of compliance with specific corporate and service standards.	Good financial controls were found to be in place and operating effectively at the fire stations visited. Time management of staff was likewise robustly supervised. The Auditors were pleased to note sound premises security arrangement and did not observe any breaches of SCC's Equalities & Diversity Policy.  Although no immediate concerns were evident in inventory management, improvements could be made in this area which would better allow the Service to monitor and control the location of equipment.	Some Improvement Needed	The Service should consider marking its equipment in such a way as to facilitate the easy and expedient identification and tracking of its equipment (e.g. a unique reference number or barcode). (M)

Audit	Background to review	Key findings	Audit opinion	Recommendations for improvement (Priority) (2)
Health & Safety	SCC is required to comply with Health and Safety (H&S) legislation related to the work place. It has a published Health and Safety Policy signed by the Chief Executive and Leader of the Council and related guidance documents.	A number of schools account for a disproportionately high number of the H&S incidents recorded on the OSHENS monitoring and reporting system which are not yet reviewed and closed. Some schools have been slow in completing entries that would generate RIDDOR reports to send to the HSE.	Some Improvement Needed	The Head of Strategic Risk Management (CSF) to develop further processes for dealing with schools that consistently omit to deal with OSHENS event recording and where this could lead to RIDDOR reportable events not being reported within the required timescales. Options for escalating the most serious cases of schools failing to comply with this requirement should be discussed at the Joint Committee for Schools and CSF. (H)
	There are two dedicated corporate health and safety staff, and small risk management teams in Children's Schools and Families (CSF) and the Surrey Fire and Rescue Service (SFRS). Other Directorates have nominated leads on H&S matters.	Despite the OSHENS H&S software training and support provided, staff turnover and tasks delegation (particularly within schools) is creating unfulfilled software training needs.  A number of non-schools premises fire risk assessments were overdue for review. Four of these inspections were over 25 weeks overdue		The CSF Strategic Risk Management Team to consider what additional resources can be made available to meet training demand and support for OSHENS users. (M)  EPM management to ensure officers deliver the programme of regular fire risk assessments, re-allocating work between staff where appropriate. (M)

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Health & Safety cont'd		The position on the completion of fire risk assessments at Schools was last comprehensively captured on a webbased questionnaire issued in October 2010. The CSF Strategic Risk Management team are aware of where schools have not had staff trained on their fire course and such schools may be less likely to have addressed any delay in completing their fire risk assessment between surveys. Schools will be resurveyed in September 2012, which will address the gap in SCC's knowledge on where fire risk assessments have not been undertaken.  Most of the sample of sites reviewed had practiced an evacuation within the last twelve months, although in one case a further practice of evacuation appeared due and at two premises, the last practice may have been in response to the Auditor's enquiries.  SCC initially prioritised asbestos management work on school buildings and is now giving priority to non-schools buildings. Currently there are 62 premises (which represent 8% of the entire non-schools portfolio) that are being further reviewed as to whether Asbestos Management Plans are required.		After schools have been re-surveyed and information collected on fire risk assessments, the CSF SRM team should consider re-contacting schools with outstanding assessments.(M)  EPM should remind service location managers of the need for at least annual emergency evacuation tests. The reminder and compliance checking should be undertaken as part of the regular premises inspection programme. A reminder campaign via the SNET should also be considered. (M)  EPM staff to prepare a completion programme for the remaining 62 premises to address the problem of incomplete information on asbestos risk in non-schools buildings within a challenging timeframe. (M)

## <sup>1</sup> Audit Opinions

Effective	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Some Improvement Needed	A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Major Improvement Needed	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
Unsatisfactory	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

## <sup>2</sup> Audit Recommendations

Priority High (H) - major control weakness requiring immediate implementation of recommendation

Priority Medium (M) - existing procedures have a negative impact on internal control or the efficient use of resources

Priority Low (L) - recommendation represents good practice but its implementation is not fundamental to internal control