

Notice of Meeting

Audit & Governance Committee



Date & time
Thursday, 6
December 2012
at 10.00 am

Place
Committee Room C,
County Hall, Kingston
upon Thames, Surrey
KT1 2DN

Contact
Helen Rankin
Room 122, County Hall
Tel 020 85419 126

Chief Executive
David McNulty

helen.rankin@surreycc.gov.uk

If you would like a copy of this agenda or the attached papers in another format, eg large print or braille, or another language please either call 020 8541 9068, write to Democratic Services, Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 8914, fax 020 8541 9009, or email helen.rankin@surreycc.gov.uk.

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Helen Rankin on 020 85419 126.

Members

Mr Nick Harrison (Chairman), Mr W D Barker OBE (Vice-Chairman), Mr Stephen Cooksey, Mr Tony Elias, Mr Mel Few and Denis Fuller

Ex Officio:

Mr David Hodge (Leader of the Council), Mr Peter Martin (Deputy Leader), Mr David Munro (Vice Chairman of the County Council) and Mrs Lavinia Sealy (Chairman of the County Council)

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES OF THE PREVIOUS MEETING: 3 OCTOBER 2012

(Pages 1
- 14)

To agree the minutes as a true record of the meeting.

3 DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

Notes:

- In line with the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, declarations may relate to the interest of the member, or the member's spouse or civil partner, or a person with whom the member is living as husband or wife, or a person with whom the member is living as if they were civil partners and the member is aware they have the interest.
- Members need only disclose interests not currently listed on the Register of Disclosable Pecuniary Interests.
- Members must notify the Monitoring Officer of any interests disclosed at the meeting so they may be added to the Register.
- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest.

4 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00pm four working days before the meeting (*30 November 2012*).
2. The deadline for public questions is seven days before the meeting (*29 November 2012*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 RECOMMENDATIONS TRACKER

(Pages
15 - 36)

To review the Committee's recommendations tracker.

6 BABCOCK 4S - HALF YEARLY REPORT

(Pages
37 - 76)

The annual report and financial statements of Babcock 4S (formally VT4S) for the year ended 31 March 2012 and the unaudited half year report and financial statements for period ended 30 September 2012 are presented to the Audit & Governance Committee.

7 EXTERNAL AUDIT: ANNUAL AUDIT LETTER AND FEE LETTERS

(Pages
77 - 84)

The Council's external auditors present their Annual Audit Letter for

2011/12 and present their planned audit fees for 2012/13.

- 8 PROGRESS REPORT ON CREDITOR BALANCE** (Pages 85 - 88)
- The purpose of this report is to update the Committee on progress made on the work undertaken to identify the extent of a potential overstatement of The Council's creditors, identified by the external auditor's Annual Governance Report.
- 9 PENSION FUND INVESTMENTS - SEPTEMBER QUARTER** (Pages 89 - 96)
- This report deals with the investment transactions of the pension fund during the September quarter and the position of the fund as at 30 September 2012, together with other matters considered by the Investment Advisors Group (IAG) at its quarterly meeting of 16 November 2012.
- 10 TREASURY MANAGEMENT HALF YEAR REPORT 2012/13** (Pages 97 - 112)
- This report summarises the council's treasury management activity during the first half of 2012/13, required by CIPFA's Code of Practice for Treasury Management. This report also covers the council's Prudential and Performance Indicators for 2012/13, in accordance with the requirements of the Prudential Code.
- 11 WHISTLE-BLOWING UPDATE** (Pages 113 - 116)
- This report provides an update on whistle-blowing activity for the period May – October 2012.
- 12 HALF YEAR IRREGULARITIES REPORT** (Pages 117 - 124)
- The purpose of this report is to inform Members about irregularity investigations undertaken by Internal Audit in the first half of this financial year, from 1 April to 30 September 2012.
- 13 INTERNAL AUDIT HALF YEAR REPORT** (Pages 125 - 160)
- This interim report summarises the work of Internal Audit during the first six months of 2012/13.
- 14 COMPLETED INTERNAL AUDIT REPORTS** (Pages 161 - 176)
- The purpose of this report is to inform Members of the Internal Audit reports that have been completed in the period September - November 2012.
- 15 RISK MANAGEMENT HALF YEAR REPORT (INCLUDING LEADERSHIP RISK REGISTER)** (Pages 175 - 182)
- This half-year risk management report has been produced to enable the committee to consider the risk management activity from April 2012 to date. It also presents the latest Leadership risk register.

16 GOVERNANCE UPDATE REPORT

(Pages
183 -
186)

The purpose of this report is to provide a half year update on the 2012/13 areas of focus outlined in the 2011/12 Annual Governance Statement.

17 EXCLUSION OF THE PUBLIC

That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under paragraph 3 of Part 1 of the Schedule 12A of the Act.

18 ENERGY PURCHASING CONTRACT

(Pages
187 -
208)

Confidential: Not for publication under Paragraph 2, 3

Information which is likely to reveal the identity of an individual.
Information relating to the financial or business affairs of any particular person (including the authority holding that information)

19 PUBLICITY FOR PART 2 ITEMS

TO DECIDE IF ANY OF THE ITEMS DISCUSSED IN PART 2 OF THE AGENDA SHOULD BE MADE PUBLIC

20 DATE OF NEXT MEETING: 11 FEB 2013

**David McNulty
Chief Executive**

Published: 27 November 2012

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- Distract other people
- Interrupt presentations and debates
- Mean that you miss a key part of the discussion

Please switch off your mobile phone/BlackBerry for the duration of the meeting. If you wish to keep your mobile or BlackBerry switched on during the meeting for genuine personal reasons, ensure that you receive permission from the Chairman prior to the start of the meeting and set the device to silent mode.

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