

MINUTES of the meeting of the **AUDIT & GOVERNANCE COMMITTEE** held at 10.00 am on 24 March 2014 at Committee Room C, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting.

Elected Members:

Mr Nick Harrison (Chairman)
Mr W D Barker OBE (Vice-Chairman)
Mr Denis Fuller
Mr Tim Evans
Mr Tim Hall

Apologies:

Mr Will Forster

In Attendance

Denise Le Gal, Cabinet Member for Business Services

Cath Edwards, Risk & Governance Manager
Cheryl Hardman, Regulatory Committee Manager
Sue Lewry-Jones, Chief Internal Auditor

75/14 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies for absence were received from Will Forster. Hazel Watson substituted for Will Forster.

76/14 MINUTES OF THE PREVIOUS MEETING: 2 DECEMBER 2013 [Item 2]

The Minutes were approved as an accurate record of the meeting.

77/14 DECLARATIONS OF INTEREST [Item 3]

There were none.

78/14 QUESTIONS AND PETITIONS [Item 4]

There were none.

79/14 RECOMMENDATIONS TRACKER [Item 5]

Declarations of Interest:

None.

Witnesses:

Cath Edwards, Risk & Governance Manager

Kevin Kilburn, Deputy Chief Finance Officer

Nikki O'Connor, Finance Manager (Assets, Investment & Accounting)

Key Points Raised During the Discussion:

1. In relation to R3/12 (Adult Social Care: Direct Payments), the Chairman informed the committee that he had reviewed the officer report to Adult Social Care Select Committee on Social Care Debt: Credit Balances. The report suggested that improvements had been made over the past year. As this is an ongoing problem, the committee would keep the issue under review. Members raised concern that direct debit payments had fallen slightly. It was felt that while it could not be made mandatory to repay debts via direct debit, a higher proportion of clients could be encouraged to set up direct debits. A report on social care debt was requested for the next meeting of the Audit & Governance Committee, with a focus on the use of direct debits (**Recommendations tracker ref: A1/14**).
2. In relation to A55/12 (Finance Dashboard), the Chairman reminded the committee that a second presentation on the finance dashboard had been arranged for Monday 31 March.
3. In relation to A33/13 (Ethical Standards), it was felt that the necessity for further information or reminders to Members should be reviewed.
4. In relation to A35/13 (Council Tax collection rates), the Deputy Chief Finance Officer updated the committee. He explained that an officer from Surrey County Council and Mole Valley District Council had been asked to review the reasons for the poor response to the request for monthly monitoring information on council tax and business rates collection. They concluded that the format of information the County Council was asking for could not easily be taken from existing sources of information. In some circumstances it required additional analysis and re-keying, so was seen as an additional burden. A new format was developed and the Surrey Treasurers have approved this in

principal, although on a quarterly rather than monthly basis. The district and boroughs revenue managers are meeting in early April to determine how to enact this revised format.

5. In relation to A40/13 (tree stumps), Members considered whether a policy on tree stumps needed to be developed. The Chairman suggested that the development of such a policy would be the responsibility of the Environment & Economy Select Committee and the relevant portfolio holder. He offered to pass the letter from the Cabinet Member for Transport, Highways and the Environment to Hazel Watson (**Recommendations tracker ref: A2/14**).
6. In relation to A41/13 (Fraud Guidance), officers confirmed that fraud at Academy Schools and the auditing of those schools was the responsibility of the Academies, with oversight from the Department for Education and not from the County Council. Members requested that references to the police within Babcock 4S' guidance to schools be made more robust, particularly with regard to fraud (**Recommendations tracker ref: A3/14**).
7. In relation to A45/13 (attendance figures), Members raised concerns about the low level of attendance by Priority 1 services at meetings and workshops arranged by the Council Risk and Resilience Forum. The Risk & Governance Manager assured the Committee that improving attendance by Priority 1 services was a focus for the Forum. The Emergency Management Team is helping services to understand about the importance of business continuity planning on an individual basis but attendance at meetings and workshops continues to be poor. Feedback is being sought to understand the reasons behind poor attendance. The Risk Management Annual Report in May 2014 would include feedback data. The Risk & Governance Manager confirmed that those officers invited to attend meetings and workshops were at the operational risk level and so not senior managers. She also confirmed that previously meetings had been held at County Hall but that from this year the venue was being rotated around various locations in Surrey. The Chairman asked that the committee's concern be noted and asked that the Risk & Governance Manager and the Chief Finance Officer address poor attendance as a priority (**Recommendations tracker ref: A4/14**).

Actions/Further information to be provided:

The recommendations tracker to be updated to reflect the discussion, as noted above.

RESOLVED:

- a. That the recommendations tracker was noted and the committee agree to remove pages 22-26 of the tracker as the actions were completed.

Committee Next Steps:

None.

**80/14 EXTERNAL AUDIT - AUDIT PLAN FOR SURREY COUNTY COUNCIL
(YEAR ENDED 31 MARCH 2014) [Item 6]**

Declarations of Interest:

None.

Witnesses:

Andy Mack, Engagement Lead (Grant Thornton)

Kathryn Sharp, Audit Manager (Grant Thornton)

Kevin Kilburn, Deputy Chief Finance Officer

Nikki O'Connor, Finance Manager (Assets & Accounting)

Key Points Raised During the Discussion:

1. The Engagement Lead introduced the Audit Plan for Surrey County Council.
2. In response to a question over whether agreement has now been reached on the correct accounting for Academy Schools, the Audit Manager informed the Committee that a consultation document on the proposed accounting treatment had just been published. The final Guidance will not be published until 2015/16. However, Grant Thornton was happy with Surrey's approach to accounting for Academy Schools. The Finance Manager (Assets & Accounting) informed the Committee that this year an additional disclosure note would be included in the Accounts for schools which are not on the balance sheet. She explained that the asset values of those schools which had just become Academies had only recently been re-valued, but a desk-top review to re-value schools which had previously had Foundation status was being undertaken. The inclusion of this disclosure note was not a requirement in the Code of Practice at present. In response to a further question, the Finance Manager (Assets & Accounting) also explained that the County Council owns the land for community and voluntary aided schools but not for academies, foundation schools or voluntary controlled schools.
3. Members asked how materiality is measured. The Engagement Lead explained that there are two ways to measure materiality: through the use of a numerical calculation; through including context, eg what is particularly sensitive such as the remuneration of senior officers.
4. The Engagement Lead clarified that the risks identified in the Audit Plan are not specific to Surrey but are general for all local authorities of this size and focus on the material items in the accounts.
5. The Engagement Lead explained that the term 'foreseeable future' generally equates to 12 months from the date of the published opinion. However, the Audit would be broader than that, testing resilience over a three to five year period.
6. The Engagement Lead clarified that the impact of the 2013/14 changes to the Local Government Pension Scheme in relation to the audit for 2013/14 referred to automatic enrolment and amendments to IAS19 which will impact the pension scheme disclosures in the Statement of Accounts.
7. It was confirmed that the Audit Plan is very similar to the previous year's plan. There is continuity year on year as the work builds on the work previously undertaken and the material items continue to be the same.

8. As the Plan stated that it would follow up progress the Council has made in implementing the recommendations raised in Grant Thornton's 2012/13 Financial Resilience Report, the Chairman requested a reminder of what the recommendations were and what progress had been made. The Deputy Chief Finance Officer reminded Members that the recommendations concerned the adequacy of planning assumptions over the longer term given the scale of the challenge faced by the local authority sector and the general understanding of the financial environment. Steps forward have been taken in both areas and officers await the outcome of the 2013/14 review to see if the auditors agree that progress has been made.

Actions/Further information to be provided:

None

RESOLVED:

That the Committee notes the work that Grant Thornton plans to undertake to deliver the audit and issue its value for money conclusion.

Committee Next Steps:

The Committee will receive the findings of Grant Thornton's audit in July 2014.

81/14 EXTERNAL AUDIT - CERTIFICATION OF CLAIMS AND RETURNS [Item 7]

Declarations of Interest:

None.

Witnesses:

Andy Mack, Engagement Lead (Grant Thornton)
Kathryn Sharp, Audit Manager (Grant Thornton)

Kevin Kilburn, Deputy Chief Finance Officer

Key Points Raised During the Discussion:

9. The Audit Manager introduced the report, explaining that Grant Thornton had certified two claims and returns for the financial year 2012/13. These were for the Teachers Pensions Return and Walton Bridge.
10. Members queried the terminology of honoraria in schools. The Deputy Chief Finance Officer confirmed that schools are not allowed to pay honoraria. They are allowed to pay recognition awards. There had been a box on the pensions form which allowed schools to erroneously categorise payments as honoraria. This has now been removed.

Actions/Further information to be provided:

None.

RESOLVED:

That the Committee notes the findings from Grant Thornton's work.

Committee Next Steps:

None.

82/14 EXTERNAL AUDIT - GRANT THORNTON FINANCIAL RESILIENCE REPORT [Item 8]

Declarations of Interest:

None.

Witnesses:

Andy Mack, Engagement Lead (Grant Thornton)

Kathryn Sharp, Audit Manager (Grant Thornton)

Key Points Raised During the Discussion:

1. The Audit Manager introduced Grant Thornton's national report on Financial Resilience and highlighted the inclusion of Surrey County Council as a good practice case study.
2. Members asked if Grant Thornton had any innovative ideas with regard to additional sources of revenue. The Chairman informed the Committee that Grant Thornton had produced a separate report on alternative delivery models. It was requested that this be circulated to members of the Committee (**Recommendations tracker ref: A5/14**).
3. The committee congratulated the authors of the report for a well-written and clear document.
4. Members queried why it appeared that unitary councils and metropolitan district councils appeared to have higher levels of amber and red ratings. It was suggested that many of those Councils were located in the North of England and that this may have skewed the results.
5. In response to a question, the Audit Manager explained that transparency in reporting savings was listed as a risk because of the challenges associated with identifying savings to specific departments and the potential for departments to report on savings that have been achieved but were not planned for which can potentially mask the non-achievement of planned savings.
6. Members queried if there was anything further that could be done to prevent capital programme underspends. The Engagement Lead explained that this was a perennial problem in local authorities. It can take time to implement schemes. This year, the flooding will have further delayed some schemes.

Actions/Further information to be provided:

The Grant Thornton report on alternative delivery models to be circulated to the Committee.

RESOLVED:

That the Committee notes the findings of Grant Thornton's review and the citing of Surrey County Council as a good practice case study.

Committee Next Steps:

None.

83/14 STREAMLINING AND SIMPLIFYING THE STATEMENT OF ACCOUNTS [Item 9]

Declarations of Interest:

None.

Witnesses:

Nikki O'Connor, Finance Manager (Assets & Accounting)

Key Points Raised During the Discussion:

1. The Finance Manager (Assets & Accounting) introduced the report on streamlining and simplifying the Statement of Accounts. This had been requested at the previous meeting of Audit & Governance Committee and was a recommendation from Grant Thornton in their Audit Findings report for 2012/13.
2. Members agreed that the aim of streamlining and simplifying the Accounts was a good one.
3. In response to query about the proposed removal of the Heritage Assets Disclosure Note, officers clarified that the balance of the Heritage Assets would still be disclosed on the face of the balance sheet and only the specific disclosure note would be removed. The note was mainly a narrative and as the balance on the balance sheet was immaterial there was not felt the need to include a specific disclosure note on this amount. It was noted that the disclosure notes on fixed assets still remained substantial.
4. Members queried whether the presentation of the Statement of Accounts would be reviewed to make it more attractive to read. The Finance Manager (Assets & Accounting) explained that the streamlining and simplifying process would be iterative, over a number of years. The first task was to 'de-clutter' and there were plans to try to improve comprehensibility and use more graphical/visual representations in the future but that it was unlikely that this would be addressed this year. The intention was for there to be an ongoing process of improvement.
5. Officers informed Members that proofreading a lengthy document in a short period of time was challenging but that there would be an additional level of checking before the Statement of Accounts is published for 2014/15.
6. Officers confirmed that having an audited set of accounts earlier in the financial year would allow them to be included in the Annual Report of the Council which would be presented to the Committee in July.
7. Officers would work closely with Grant Thornton when reducing the Financial Instruments Note.
8. Members expressed some concern about removing the Trust Funds Disclosure Note as it offered an opportunity to record stewardship of those funds. The Finance Manager (Assets & Accounting) explained that Grant Thornton had highlighted that note as one which could be removed. None of the figures in the note related to the Council's accounts and so could be confusing. Other local authorities take varied approaches to trust funds. Hertfordshire's approach was cited, which was to not include a full note but to signpost to the trust funds.

Actions/Further information to be provided:

None.

RESOLVED:

That the suggested changes to the disclosure notes be adopted for the 2013/14 Statement of Accounts, subject to the re-inclusion of a note signposting readers to trust funds for whom the Council acts as a trustee.

Committee Next Steps:

None.

84/14 2013/14 REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT [Item 10]

Declarations of Interest:

None.

Witnesses:

Sue Lewry-Jones, Chief Internal Auditor

Key Points Raised During the Discussion:

1. The Chief Internal Auditor introduced the report and highlighted recommendation 19 from the 2013/14 review of Internal Audit's effectiveness. The required assurance mapping exercise would be a large piece of work which would identify where senior management can obtain assurance that controls to mitigate risks are in place. The Chief Internal Auditor explained the "Three Lines of Defence" model for sourcing of assurance – ranging from key financial systems controls through to independent external reviews. The assurance map should not be owned by Internal Audit but by CLT and so buy-in would be sought. It was also intended that this not become a massive future house-keeping chore. Members suggested that the Chief Internal Auditor would need support to undertake this work.
2. There was a discussion with regard to Cabinet awareness of internal audit investigations. While Members felt that Members should take responsibility for knowing what is happening in their portfolio services, officers said that they would look at how improvements could be made to the briefing of Cabinet Members (**Recommendations tracker ref: A6/14**).
3. There was some concern expressed about eligible audit reports not being considered by select committees. The Chairman confirmed that a process was in place to encourage select committees to look at reports with an audit opinion of 'unsatisfactory' or 'major improvement needed' and also at reports with high priority recommendations. However, he cited the election of the new Council and the need for committees to re-establish themselves as a reason why some audit reports had not been taken to select committees. He also pointed out that select committees are free to set their own agenda. He said that there would be concern if eligible audit reports are not now scrutinised by a select committee during 2014/15.
4. The Chairman clarified that, unless confidential, Audit Reports were subject to the Freedom of Information Act. A summary of the reports is already in the public domain through the Audit & Governance Committee papers and if there are particular concerns a full report could be brought to committee.

5. Members asked why more time had been requested for Heads of Service to brief their Portfolio Holder and Strategic Director before Internal Audit reports are circulated. The Chief Internal Auditor explained that one Head of Service had requested this. The request would be considered but Heads of Service are usually expected to brief relevant people before the sign-off on the Management Action Plan.

Actions/Further information to be provided:

The Chief Internal Auditor to look at how improvements could be made to the briefing of Cabinet Members about internal audit investigations.

RESOLVED:

That the Committee notes the findings of the 2013/14 Review of Effectiveness of the System of Internal Audit.

Committee Next Steps:

None.

85/14 COMPLETED INTERNAL AUDIT REPORTS [Item 11]

Declarations of Interest:

None.

Witnesses:

Kevin Kilburn, Deputy Chief Finance Officer
Sue Lewry-Jones, Chief Internal Auditor
Siva Sanmugarajah, Lead Auditor

Key Points Raised During the Discussion:

1. The Chief Internal Auditor introduced the report and highlighted the follow-up review of Care Homes – Managing Residents' Monies which now had an audit opinion of 'effective'. She also informed the committee that all reports with high priority recommendations were being reviewed by select committees which suggests that the process is now working.
2. A Member suggested that the recorded financial return from the smallholding portfolio was small. The Chairman informed the Committee that a Member Reference Group from Environment & Transport Select Committee would be considering the smallholdings (rural estate) audit report as part of its work. Members requested to see the terms of reference for that Group (**Recommendations tracker ref: A7/14**).
3. There was a suggestion that local authority appointed governors could be a useful source or audience for audit-related activities. However, the Chairman noted that once an individual is appointed to a governing board, they have the same powers and duties as other governors. They should not necessarily be targeted with or for particular information.
4. Members enquired whether it was possible to get rid of the trust funds for which it acts as trustee. The Deputy Chief Finance Officer informed the Committee that a couple of trust funds had been transferred to Surrey Community Foundation. That body was able to administer the funds better to ensure that the aims of the trust are met.

5. The Lead Auditor clarified that complaints from Adult Social Care were not being under-recorded or under-reported to CLT. The discrepancies were due to a timing issue. Complaints were not uploaded to the Performance Plus system until they were resolved which led to some discrepancies between information on the ASC master complaints spreadsheet and the report to CLT.

Actions/Further information to be provided:

None.

RESOLVED:

That the Committee notes the report.

Committee Next Steps:

None.

86/14 INTERNAL AUDIT PLAN 2014/15 [Item 12]

Declarations of Interest:

None.

Witnesses:

Sue Lewry-Jones, Chief Internal Auditor

Key Points Raised During the Discussion:

1. The Chief Internal Auditor introduced the report and tabled a revised version of the Internal Audit Plan (attached as Annex 1). The revisions enabled the inclusion of the Property Investment Strategy in the Plan as it is of high interest to the organisation. To accommodate this, a reduced number of days has been allocated to Contract Reviews and to Irregularity and Special Investigations including Fraud Prevention.
2. The Chief Internal Auditor confirmed that she expected to be sufficiently resourced to deliver the Internal Audit Plan. In response to questions about the need to replace senior auditors, the Chief Internal Auditor informed the Committee that she had successfully recruited a skilled Auditor to fill the current vacancy, who would be starting on 7 April 2014. Diane Mackay, Audit Performance Manager, would be leaving at the end of April 2014. She had a huge amount of knowledge, especially on Highways issues. The Chief Internal Auditor had responded as soon as she had received the letter from Diane Mackay signalling her intention to retire. Recruitment to fill this upcoming vacancy was underway, with interviews taking place over the course of the current and following week. There may be a lag on the implementation of the Plan but this could be managed and it was anticipated more traditional financial audit work would be undertaken in the second part of the year. If necessary, agency staff could be brought in to support these more traditional audits. Other mitigating actions include cross-skilling other members of the team, ensuring a proper handover, and the collation of the senior auditors emails in Galileo in order to retain corporate memory.

3. In response to a query about whether any issues arising from the recent floods are reflected in the Plan, the Chief Internal Auditor clarified that the Plan just indicates an intended work plan. However, it was understood that different factors can affect the Plan during the course of the year. For example, Operation Horizon will have been affected by the floods. Discussions will be held with the relevant Head of Service as to how this will affect the timing of the audit. The Chief Internal Auditor also highlighted the proposed audits of Business Continuity Planning and Emergency Management. This had been requested by the relevant Head of Service but it had emerged that a Member Reference Group may be looking at these areas. If this is the case then Internal Audit will not want to duplicate the work. She requested that Members feed any information they have about upcoming audit areas to her.
4. The Chief Internal Auditor confirmed that the budget allocation to Internal Audit was mainly for staff costs, although some was for resources such as stationery and IT. The budget had been adjusted downwards from 2013/14 in response to the service running at a slight surplus.

Actions/Further information to be provided:

None.

RESOLVED:

That the Committee APPROVES:

- i. The Internal Audit Charter
- ii. The Internal Audit Strategy
- iii. The Internal Audit Reporting and Escalation Policy
- iv. The Internal Audit Quality Assurance and Improvement Programme
- v. The 2014/15 Internal Audit Plan.

Committee Next Steps:

Completed audit reports will continue to be presented to the Committee throughout the year and an update on performance against the 2014/15 Plan will be reported to the Committee in December.

87/14 TRANSPORT FOR EDUCATION: MAP PROGRESS [Item 13]

Declarations of Interest:

None.

Witnesses:

Sue Lewry-Jones, Chief Internal Auditor
Siva Sanmugarajah, Lead Auditor

Tracey Coventry, Transport Co-ordination Team Manager
PJ Wilkinson, Assistant Director for Schools & Learning

Zully Grant-Duff, Chairman of Children & Education Select Committee, was in attendance

Key Points Raised During the Discussion:

1. The Chairman reminded the committee that the Chairman of Children & Education Select Committee had been asked to monitor the progress of the Transport for Education Management Action Plan. The Chairman of Children & Education Select Committee confirmed that she had met with officers to understand the background to the audit and the progress that has been made since. She had requested that officers prepare a context briefing for the Committee which was attached to the agenda papers. The Assistant Director for Schools & Learning and the Transport Co-ordination Team Manager acknowledged the cost, complexity and challenges associated with Transport for Education, particularly for SEN. The Assistant Director for Schools & Learning disagreed with the audit recommendation that SEN officers be present at the annual review by the schools of the SEN children which covers their payment. This review was between the school and the child's parents and would be time-consuming for SEN officers to be present at each one. The Transport Co-ordination Team Manager highlighted the introduction of a new Transport system which was to go live in April 2014. This would be more fit-for-purpose, simpler and quicker to use. There would be better reporting of financial data to services. Staff could therefore concentrate on route reviews, retendering etc to bring costs down.
2. Members queried how parents could input information such as children being in hospital, therefore avoiding transport being provided unnecessarily. The Transport Co-ordination Team Manager informed the committee that a 'general communication form' would be expected from the Schools & Learning Service. However, the driver will also often be aware of any upcoming changes and can also feed this back to the Transport Co-ordination Centre (TCC). If a child is sick before school that would have to be dealt with once known. Where a child needs to leave school during the day, transport will be arranged if the case officer requests it.
3. The Chairman asked what the alternative to SEN officers being present at SEN reviews would be in order to achieve the same required outcome. The Assistant Director for Schools & Learning suggested that the status quo was an alternative option. The Transport Co-ordination Team Manager also highlighted the change to the current system which has made an end date for transport provision a mandatory field. The TCC can regularly run a report with upcoming end dates and send it to SEN officers to see if transport has been reviewed. The Assistant Director for Schools & Learning confirmed that transport would stop at the end date unless a request is put in for the transport to continue. There was some concern expressed by members of the Committee and the Chairman of Children & Education Select Committee that the introduction of an end date was simplistic and would not deliver the necessary outcome. Officers suggested that complexity can make people disengage and that simple rules were more enforceable.
4. Officers confirmed that transport was provided to Surrey pupils rather than to schools. Therefore pupils attending academy schools and even those at a school outside Surrey could be eligible. Mainstream policy is to not pay for transport if there is a closer school with space.

5. The Chairman of Children & Education Select Committee suggested commissioning officers to conduct a pilot process review of one quadrant to identify what can be done to improve the system, how risks can better controlled etc. The Assistant Director for Schools & Learning suggested that a complete solution was probably unlikely but that improvements could probably be identified from a pilot review. The Committee was supportive of this. The Assistant Director for Schools & Learning volunteered the South East area for a pilot review but requested that it begin work after 1 September 2014 when the new Special Educational Needs Code of Practice comes into force (**Recommendations tracker ref: A8/14**).

Actions/Further information to be provided:

Officers from Environment & Infrastructure and Children, Schools & Families directorates to jointly conduct a pilot process review of Transport for Education in the South East area after 1 September 2014.

RESOLVED:

That the Committee notes the actions taken/planned by officers to address the concerns raised in the audit review completed in March 2013.

Committee Next Steps:

None.

88/14 LEADERSHIP RISK REGISTER [Item 14]

Declarations of Interest:

None.

Witnesses:

Cath Edwards, Risk & Governance Manager

Key Points Raised During the Discussion:

1. The Risk & Governance Manager introduced the report and informed the committee that some of the committee's proposed amendments from the last meeting were already in place in the Risk Register and other changes were being proposed to the Continual Improvement Board next week. For example, it was being proposed that L4 IT Systems be changed to a Cyber Risk. This had been agreed with the Head of IT. It would still be rated a high risk although discussions would take place later on to consider if the risk rating can be reduced.
2. Risk L17 (Supply Chain/Contractor Resilience) had been an emerging risk for a while at directorate level but had now been escalated to the Leadership Risk Register. Procurement was classifying suppliers with the Emergency Management Team.

Actions/Further information to be provided:

None.

RESOLVED:

That the Committee notes the report.

Committee Next Steps:

None.

Dennis Fuller left at 1.10pm.

89/14 WHISTLE BLOWING UPDATE [Item 15]

Declarations of Interest:

None.

Witnesses:

Abid Dar, Equality & Diversity Manager

Jackie Brazier, Senior HR Advisor – Employee Engagement and Relations

Key Points Raised During the Discussion:

1. The Senior HR Advisor introduced the report.

Actions/Further information to be provided:

None.

RESOLVED:

- i. That the Committee notes the progress outlined in the report.
- ii. That the Committee approves the promotional activities and preventative measures in section 8 of the report.
- iii. That it approves future reporting to the Committee on whistle-blowing being conducted on an annual basis in March.

Committee Next Steps:

None.

90/14 DATE OF NEXT MEETING [Item 16]

The date of the next meeting was noted.

Meeting ended at: 1.15 pm

Chairman

DRAFT Internal Audit Plan 2014/15

	Risk Score*	Audit Days 2014/15	(2013/14 Audit Days)
Corporate Governance Arrangements		75	(40)
CRSA and S151 responsibilities	MAN		
Risk Management	MAN		
AGS - Internal Audit Opinion	MAN		
Information Governance	MAN		
Organisational Ethics	MAN		
Key Financial and Non Financial Systems		200	(200)
SAP Application controls - policy, roles and access	99		
Accounts Payable	99		
Capital Expenditure Monitoring	97		
Payroll	97		
Accounts Receivable	96		
Revenue Budget Control	94		
Treasury Management	94		
General Ledger	93		
Financial Assessments and Benefits	90		
Pension Administration	85		
Pension Fund Investments	77		
		30	(20)
Grants			
Government Grants	MAN		
EU Grants	MAN		

*MAN = Mandatory

Internal Audit

Surrey County Council

DRAFT Internal Audit Plan 2014/15

	Risk Score*	Audit Days 2014/15	(2013/14 Audit Days)
Contract Reviews		135	(120)
Agency Staff Contract	82		
Contract Management Framework - Procurement Savings	79		
Highway Contract – Safety Defects and Inspections	79		
Superfast Broadband	77		
Bus Operating Contracts	75		
Walton Bridge Final Account	74		
Adult Social Care		135	(135)
LA Trading Company - ASC	89		
Deputyship	86		
Better Care Fund	85		
AIS Care assessment process	82		
Telecare	79		
ASC Commissioning Procurement Portal	77		
Care Bill Preparedness	74		



Internal Audit

Surrey County Council

DRAFT Internal Audit Plan 2014/15

	Risk Score*	Audit Days 2014/15	(2013/14 Audit Days)
Business Services		230	(298)
Carbon Reduction Scheme & GHG	MAN		
Public Service Network	80		
Management of CITRIX systems	79		
UNICORN	79		
Apprenticeship Scheme	79		
Absence Management	77		
Property Investment Strategy	76		
Property Asset Management (PAMS)	76		
Managed Print Service	76		
LA Trading Company - Governance arrangements	76		
Grants to Voluntary Bodies	75		
Customers and Communities		55	(75)
SFRS Operational Assurance Process	78		
Community Learning	76		
Domestic Abuse	75		



Internal Audit

Surrey County Council

DRAFT Internal Audit Plan 2014/15

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**Chief Executive's Office**

Health and Wellbeing Board	80		
Business Continuity Planning	78		
VCFS Framework	78		
Public Health	77		
Emergency Management	76		
Member Interests	75		

115 (75)

**Children's Schools and Families**

Schools compliance	88		
School Planning/Admissions	82		
Children's Safeguarding QA process	78		
Corporate Parenting Board	78		
Foster Care	78		
Local Safeguarding Boards	75		
Looked After Children - Personal Monies	75		
Direct Payments (Children's)	75		

230 (230)

*MAN = Mandatory

Internal Audit

Surrey County Council

DRAFT Internal Audit Plan 2014/15

	Risk Score*	Audit Days 2014/15	(2013/14 Audit Days)
Environment and Infrastructure		100	(130)
Operation Horizon	80		
Transportation Co-ordination Centre - new system	79		
Streetworks Permit Scheme	79		
Waste Management and Minimisation	79		
Local Sustainable Transport Fund	77		
Follow-up Audits including:		60	(50)
Social Care Debt			
Looked After Children – Health & Dental Checks			
Special Schools – In-house Residential			
Transport for Education			



Internal Audit

Surrey County Council

DRAFT Internal Audit Plan 2014/15

	Risk Score*	Audit Days 2014/15	(2013/14 Audit Days)
Client Support and Service Liaison		156	(136)
Innovation Support/Follow-up		30	(50)
Irregularity and Special Investigations including Fraud Prevention		335	(345)
NFI - Support to Other LAs			
Irregularity Contingency			
Anti Fraud and Data Interrogation			
NFI Data Matching Exercise			
Internal Management, Corporate Support and Organisational Learning		294	(294)
Audit & Governance Support			
Member support			
Audit Planning			
Audit Management			
Corporate Support Activities			
Total Audit Days		<u>2180</u>	(2228)

*MAN = Mandatory