

## Notice of Meeting

# Audit & Governance Committee



**Date & time**  
**Monday, 1**  
**December 2014**  
**at 10.00 am**

**Place**  
Ashcombe Suite,  
County Hall, Kingston  
upon Thames, Surrey  
KT1 2DN

**Contact**  
Cheryl Hardman  
Room 122, County Hall  
Tel 020 8541 9075

**Chief Executive**  
David McNulty

[cherylh@surreycc.gov.uk](mailto:cherylh@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 9122, 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 [cherylh@surreycc.gov.uk](mailto:cherylh@surreycc.gov.uk).**

**This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Cheryl Hardman on 020 8541 9075.**

### **Members**

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

### **Ex Officio:**

Mr David Hodge (Leader of the Council), Mr Peter Martin (Deputy Leader), Mr David Munro (Chairman of the County Council) and Mrs Sally Ann B Marks (Vice Chairman of the County Council)

## AGENDA

### 1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

### 2 MINUTES OF THE PREVIOUS MEETING: 25 SEPTEMBER 2014

(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 (*25 November 2014*).
2. The deadline for public questions is seven days before the meeting (*24 November 2014*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

### 5 RECOMMENDATIONS TRACKER

(Pages  
15 - 28)

To review the Committee's recommendations tracker.

### 6 BABCOCK 4S LIMITED - ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(Pages  
29 - 64)

The Annual Report and Financial Statements of Babcock 4S for the year ended 31 March 2014 are formally presented to the Audit & Governance Committee.

- 7 ANNUAL AUDIT LETTER 2013/14** (Pages 65 - 80)
- The Council's external auditors, Grant Thornton, are presenting their Annual Audit Letter in respect of the audit year 2013/14. The Annual Audit Letter will be made available on the Council's external website.
- The Council's external auditors will also present their planned audit fee for 2014/15.
- 8 EXTERNAL AUDIT: PERFORMANCE MANAGEMENT FRAMEWORK** (Pages 81 - 86)
- To provide the committee with the proposed Key Performance Indicators as a part of the performance management framework for the council's external auditors, Grant Thornton.
- 9 TREASURY MANAGEMENT HALF YEAR REPORT 2013/14** (Pages 87 - 100)
- This report summarises the council's treasury management activity during the first half of 2014/15, as required to ensure compliance with CIPFA's Code of Practice for Treasury Management. The report also covers the council's Prudential and Performance Indicators for the first half of 2014/15, in accordance with the requirements of the CIPFA Prudential Code.
- 10 COMPLETED INTERNAL AUDIT REPORTS** (Pages 101 - 110)
- The purpose of this report is to inform Members of the Internal Audit reports that have been completed since the last meeting of this Committee in September 2014.
- 11 INTERNAL AUDIT HALF YEARLY REPORT 2014/15** (Pages 111 - 158)
- This interim report summarises the work of Internal Audit during the first six months of 2014/15. The purpose of this report is to enable the Committee to consider the activities of Internal Audit during the six month period to 30 September 2014 and determine whether there are any matters that they wish to draw to the attention of the Cabinet and/or the County Council.
- 12 CITRIX SYSTEMS: PROJECT UPDATE** (Pages 159 - 164)
- The purpose of this report is to provide the Audit and Governance Committee an update and assurance on positive progress in regard to IMT's Modern Worker "*Citrix Upgrade Project*".
- 13 SOCIAL CARE DEBT AUDIT - MANAGEMENT ACTION PLAN: PROGRESS UPDATE** (Pages 165 - 170)
- To provide the committee with a progress update on the Management Action Plan in relation to the Review of Social Care Debt 2013/14 Audit Report that was published in June 2014.

- 14 HALF-YEAR SUMMARY OF INTERNAL AUDIT IRREGULARITY INVESTIGATIONS AND COUNTER FRAUD MEASURES: APRIL - SEPTEMBER 2014** (Pages 171 - 178)

The purpose of this report is to inform members of the Audit and Governance Committee about irregularity investigations and proactive counter fraud work undertaken by Internal Audit in the first half of this financial year from 1 April to 30 September 2014.

- 15 RISK MANAGEMENT HALF YEAR REPORT** (Pages 179 - 194)

This half-year risk management report has been produced to enable the committee to consider the risk management activity from April 2014 to date. It also presents the latest Leadership Risk Register.

- 16 GOVERNANCE UPDATE REPORT** (Pages 195 - 198)

The purpose of this report is to provide a half year update on the internal control environment areas within the 2013/14 Annual Governance Statement and the governance arrangements during 2014/15.

- 17 DATE OF NEXT MEETING**

The next meeting of Audit & Governance Committee will be on 16 February 2015.

**David McNulty**  
**Chief Executive**

Published: 20 November 2014

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