

**MINUTES** of the meeting of the **AUDIT & GOVERNANCE COMMITTEE** held at 10.00 am on 1 December 2014 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

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

**Elected Members:**

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

**In Attendance**

Cheryl Hardman, Regulatory Committee Manager  
Kevin Kilburn, Deputy Chief Finance Officer (Section 151 Officer representative)  
Sue Lewry-Jones, Chief Internal Auditor  
Verity Royle, Senior Principal Accountant – Management Accounting

**129/14 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

There were none from the committee but apologies for absence were received from the Cabinet Member for Business Services and the Director of Finance.

**130/14 MINUTES OF THE PREVIOUS MEETING: 25 SEPTEMBER 2014 [Item 2]**

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

**131/14 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**132/14 QUESTIONS AND PETITIONS [Item 4]**

There were none.

**133/14 RECOMMENDATIONS TRACKER [Item 5]**

**Declarations of interest:**

None.

**Witnesses:**

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

**Key points raised during the discussion:**

1. In relation to A27/14 (Members' Interests), the Chief Internal Auditor confirmed that the audit of Members' Interests was ongoing and that co-opted Members were being included in testing.
2. In relation to A32/14 (Communications Plan), the Chairman confirmed that the Plan had now been shared with members of the Committee.
3. In relation to A35/14 (Partnerships), the Chairman confirmed that a workshop had been set up for 27 February 2015. At this the committee would consider the current partnership framework and agree how the committee should be involved in a relevant and proportionate way.
4. In relation to A40/14 (major projects), the Chairman discussed a document he had seen outlining a large number of projects ongoing within the Council. He would consider further how to develop the committee's involvement in major projects and would share his thoughts with Members.
5. In relation to A41/14 (Adult Social Care savings), it was confirmed that three Members from Audit & Governance Committee as well as the Chairman of Council Overview and Scrutiny Committee had attended the Adult Social Care Select Committee workshop on 27 November 2014. Members stated that it had been useful to attend the workshop and, while progress was being made with the Family, Friends and Community initiative, they didn't feel assured that robust arrangements were in place to make all the savings required. Concerns were raised about the forecast overspend in the Adult Social Care budget and the lack of plans to achieve all the savings allocated to the directorate. The Chairman agreed to write to the Leader of the Council expressing the committee's concerns about the budget (**Recommendations Tracker ref: A44/14**). He would also write to the Chairman of Council Overview and Scrutiny Committee to encourage that the issue is addressed through its performance and finance sub-group (**Recommendations Tracker ref: A45/14**).
6. In relation to R4/14 (Operation Horizon), the Deputy Chief Finance Officer outlined the challenges associated with the Repair and Renewal Grant scheme. Finance was working with Internal Audit and Trading Standards to prevent the scheme being abused. The report by the Flooding Task Group (part of the Environment and Transport Select Committee) to Cabinet was praised and it was suggested that a review of Winter 2014/15 be held by the Flooding Task Group in Spring 2015. The Chairman agreed to write to the Cabinet Member for Highways, Transport and Flooding Recovery and the Chairman of the Environment and Transport Select Committee/Flooding Task Group recommending a review (**Recommendations Tracker ref: A46/14**).
7. In relation to A35/13 (data sharing), the Deputy Chief Finance Officer confirmed that all District and Boroughs were now returning data on Council Tax and Business Rates collection on a quarterly basis. However, there was still concern about the quality of some of the data, particularly with regard to forecasting. This was being addressed at an officer level.
8. In relation to A24/14, Members requested information on the outcome of the Council Overview and Scrutiny Committee meeting where it considered the Agency Staffing Contract audit (**Recommendations Tracker ref: A47/14**).
9. In relation to A22/14 (capital programme), the Deputy Chief Finance Officer informed the committee that it had been decided not to

undertake a Rapid Improvement Event on the capital programme as the issues were not about process but about project management. A different approach was being taken with facilitated workshops to identify a more realistic way to build in assumptions to the capital programme. The Chairman requested that this action be retained in the tracker for now.

**Actions/Further information to be provided:**

- i. Chairman to write to the Leader of the Council expressing the committee's concerns about the Adult Social Care budget.
- ii. Chairman to write to the Chairman of Council Overview and Scrutiny Committee to encourage that committee to address the Adult Social Care budget through its performance and finance sub-group.
- iii. Chairman to write to the Cabinet Member for Highways, Transport and Flooding Recovery and the Chairman of the Environment and Transport Select Committee/Flooding Task Group recommending a review of flooding recovery activity during Winter 2014/15 in Spring 2015.
- iv. Information to be circulated on the outcome of the Council Overview and Scrutiny Committee meeting where it considered the Agency Staffing Contract audit.

**RESOLVED:**

That the committee notes the report.

**Committee next steps:**

None.

**134/14 BABCOCK 4S LIMITED - ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 [Item 6]**

**Declarations of interest:**

None.

**Witnesses:**

None

**Key points raised during the discussion:**

1. The Chairman explained the difficulty in arranging for Babcock 4S representatives to attend a formal meeting of the committee when it would have been timely to review the accounts. Instead, a group from the committee had reviewed the Annual Report and financial statements in detail during an informal session at the Babcock 4S head office. Its findings and the accounts are now being presented to a public meeting of the committee for transparency.
2. The committee members had found the session very useful and interesting but had felt that the Annual Report was light on the detail of what the service provides and its performance. They had asked that this be provided in the next year's reports.
3. A member who is also a member of the Children and Education Select Committee assured Members that performance at Babcock 4S was scrutinised by that Select Committee.
4. The Chairman informed the committee that Babcock had sent an explanation of the increase in charges from Surrey County Council to Babcock 4S between 2013 and 2014. This stated:

“The charges from Surrey County Council to Babcock 4S increased with £126k compared to 2012/13. The increase is largely due to the inclusion of building rate charges in the 2013/14 accounts (£179k) which was not included in the 2012/13 accounts. This impact of this reduced because SCC cleaning service charges ceased from September 2013. Cleaning services from this point had been aligned to Babcock Group procurement initiatives”.

5. It was queried what the financial benefit of Babcock 4S was for Surrey residents. The Vice-Chairman of Children and Education Select Committee suggested that this could be considered by that Select Committee (**Recommendations Tracker ref: A48/14**).

**Actions/Further information to be provided:**

The Vice-Chairman of Children and Education Select Committee to discuss with the Chairman of that Select Committee reviewing the financial benefit of Babcock 4S for Surrey residents.

**RESOLVED:**

- a. That the committee notes the Annual Report and Statements.
- b. That the committee notes the findings at the informal meeting of the Audit & Governance Committee.
- c. That the committee has no further questions at present.

**Committee next steps:**

None.

**135/14 ANNUAL AUDIT LETTER 2013/14 [Item 7]**

**Declarations of interest:**

None.

**Witnesses:**

Tom Ball, Assistant Manager – Grant Thornton  
Andy Mack, Engagement Lead – Grant Thornton  
Kathryn Sharp, Senior Manager – Grant Thornton

**Key points raised during the discussion:**

1. The Engagement Lead at Grant Thornton introduced the Annual Audit Letter and Fee Letter.
2. Members discussed the meaning of the Value for Money conclusion and understood that it relates to whether the Council has the proper arrangements in place to secure value for money.
3. A Member queried the reference to an increase in the pension reserve representing an increase in the pension liability due to the tri-annual valuation, as the accounts follow the relevant accounting standard. The Grant Thornton representatives confirmed that the statement was accurate.
4. The Senior Manager at Grant Thornton confirmed that there had been challenges in the past year with working to a shorter deadline to issue an audit opinion on the Council's 2013/14 financial statements. This provided lessons for ensuring that the future quality of working papers is retained when working to a shorter deadline.
5. The Chairman queried the current position on the Teachers' Pension Return. The Deputy Chief Finance Officer informed the committee

that information had been sent to the Teachers' Pensions Agency and follow-up letters had also been sent asking if there was anything further required from the Council but no response had been received. The Chairman requested a report back to the next meeting (**Recommendations Tracker ref: A49/14**).

6. The Chairman confirmed that a report on the capital programme would come to committee in April 2015.

**Actions/Further information to be provided:**

- i. Officers to report back to the February meeting of Audit & Governance Committee on progress with the certification of the Teachers' Pension Return.
- ii. Officers to report back on the capital programme at the April meeting.

**RESOLVED:**

- a. That the committee notes the contents of the Annual Audit Letter.
- b. That the committee notes the Fee Letter.

**Committee next steps:**

None.

**136/14 EXTERNAL AUDIT: PERFORMANCE MANAGEMENT FRAMEWORK  
[Item 8]**

**Declarations of interest:**

None.

**Witnesses:**

Tom Ball, Assistant Manager – Grant Thornton  
Andy Mack, Engagement Lead – Grant Thornton  
Kathryn Sharp, Senior Manager – Grant Thornton

**Key points raised during the discussion:**

1. The Senior Manager at Grant Thornton introduced the report.

*Tim Hall left the meeting at 10.50am.*

2. The Chairman highlighted that Grant Thornton would have missed the target for providing a final list of any proposed amendments to the financial statements 7 working days before the relevant Audit & Governance Committee this year if the performance indicator had been set. The Senior Manager confirmed that the review process for the accounts would be changed for the next financial year.
3. It was suggested and agreed that the performance indicator 'the total approved audit fee will not be exceeded, except by prior approval by the Director of Finance' be amended to include an additional requirement for approval by the Chairman of Audit & Governance Committee.

**Actions/Further information to be provided:**

None.

**RESOLVED:**

That the committee adopt the proposed key performance indicators, subject to the amendment described above.

**Committee next steps:**

None.

*Tim Hall rejoined the meeting at 10.53am.*

**137/14 COMPLETED INTERNAL AUDIT REPORTS [Item 10]**

*Item 10 was brought forward as the officers had not arrived for Item 9.*

**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.
2. In relation to the Local Sustainable Transport Fund audit, Members queried what the difficulty was in resolving the eligibility of some mobilisation costs associated with the Onslow Park and Ride. The Chief Internal Auditor offered to circulate a response (**Recommendation Tracker ref: 50/14**).

3. Members discussed the value for money of sustainable transport schemes. A number of Members queried the cost-benefit analysis and whether the funding is being used appropriately. The Chairman agreed to talk further with those Members and discuss the issues at the Local Committees' Chairmen's meeting (**Recommendation Tracker re: A51/14**).
4. In relation to the Surrey Fire and Rescue Service (SFRS) Premises Information audit, the Chairman informed that committee that he had requested this audit because of deaths elsewhere in the country partly attributed to the information available to crews. He would raise the issue of developing a standard for training with the Fire and Rescue Advisory Group and report back (**Recommendation Tracker re: A52/14**).

**Actions/Further information to be provided:**

- i. Chief Internal Auditor to circulate information on the difficulty in resolving the eligibility of some mobilisation costs associated with the Onslow Park and Ride.
- ii. Chairman to discuss value for money concerns about sustainable transport schemes with Members and raise the issues with the Chairmen of Local Committees' meeting.
- iii. Chairman to raise training for firefighters on the use and understanding of data available through the Mobile Data Terminals with the Fire and Rescue Advisory Group and report back.

**RESOLVED:**

That the committee notes the report.

**Committee next steps:**

None.

**138/14 TREASURY MANAGEMENT HALF YEAR REPORT 2013/14 [Item 9]**

**Declarations of interest:**

None.

**Witnesses:**

Alex Moylan, Senior Accountant

Phil Triggs, Strategic Finance Manager – Pensions and Treasury

**Key points raised during the discussion:**

1. The Strategic Finance Manager – Pensions and Treasury introduced the report.
2. In response to a query about the increase in fixed interest investments between 31 March 2014 and 30 September 2014, the Strategic Finance Manager – Pensions and Treasury explained that Councils traditionally were at a low cash position at 31 March. New grants and precepts were received from April onwards.
3. The Strategic Finance Manager – Pensions and Treasury informed the committee that traditionally the Council takes its long-term borrowing from the Public Works Loan Board. The £10m market loan from Barclays was historic and was intended to diversify the debt portfolio with terms agreeable at the time.

4. Some members expressed a view that with the current market environment, the Council should be borrowing more. Officers confirmed that markets were at historically low borrowing cost and record low gilt yield levels. However, the case for borrowing was looked at very carefully, as the cost of carry involved would translate immediately into increased interest expenditure. Officers were monitoring the situation. At present it was being forecast that £40m would need to be borrowed to ensure cash flow at the end of the financial year.
5. The Strategic Finance Manager – Pensions and Treasury informed the committee that training on the treasury management function would be arranged in the near future (**Recommendations Tracker ref: A53/14**).
6. The Strategic Finance Manager – Pensions and Treasury confirmed that counterparty limits were already very cautious.
7. The committee discussed the fee to Capita for its treasury management advice. A contract review was imminent but the competition was limited.

**Actions/Further information to be provided:**

- i. Training on the treasury management function to be arranged.

**RESOLVED:**

That the committee notes the report.

**Committee next steps:**

None.

**139/14 INTERNAL AUDIT HALF YEARLY REPORT 2014/15 [Item 11]**

**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 some of the resource issues faced by the Internal Audit team during the first half of the year.
2. In response to a suggestion that some audits be dropped in order to save money, the Chief Internal Auditor confirmed that she would spend the Internal Audit budget in order to deliver the Audit Plan. Agency staffing was being used fill gaps in the short-term while the structure of the team was being reviewed for 2015/16. The Deputy Chief Finance Officer reminded the committee that the audit plan was produced in consultation with the Director of Finance who requires assurance on financial systems going forward. Finance would be concerned if Internal Audit were to be encouraged to drop audits in order to save a small amount of money. The Chairman also stated that he would need some convincing before he accepted an reduction of the planned audit coverage.



3. Members queried why a secondment was permitted if the team was short-staffed. The Chief Internal Auditor highlighted the developmental opportunities to individuals of secondments. She also informed the committee that she received the budget back and had someone seconded into the Internal Audit team from another department.
4. The Chief Internal Auditor clarified that the number of audit reports completed according to the table in paragraph 12 did not match the number of audits completed in paragraph 10 because the definition of audits in paragraph 10 is wider than just audit reports. It also includes grant sign-offs, irregularity investigations etc.
5. In response to a question, the Chief Internal Auditor explained that the Customer Satisfaction Survey which rated an audit as not very useful related to an audit where there was disagreement about the results on the audit. However, she felt that the audit had been useful as there had been a lot of activity in the service leading from the audit report.

**Actions/Further information to be provided:**

None.

**RESOLVED:**

That the committee notes the report.

**Committee next steps:**

None.

**140/14 CITRIX SYSTEMS: PROJECT UPDATE [Item 12]**

**Declarations of interest:**

None.

**Witnesses:**

Paul Brocklehurst, Head of Information Management and Technology  
Andy Grogan, Group Manager – Infrastructure Manager

**Key points raised during the discussion:**

1. The Chairman stated that this item had been scheduled following an audit report which found that the Citrix Systems upgrade project had faced delays and was overbudget. It had been agreed with the Chairman of Council Overview and Scrutiny Committee that Audit & Governance Committee would question officers on this.
2. The Head of Information Management and Technology introduced the report and stressed the importance of infrastructure projects to everyone in the Council. The project was therefore taken slowly and carefully to avoid difficulties.
3. The Group Manager – Infrastructure Manager informed the committee that the project was on target to meet the revised delivery timetable. Over the past weekend, some technical aspects of the project had been undertaken and had gone well. The budget increase was due to the approach taken being changed. Originally the upgrade was to be a direct replacement for the existing Citrix infrastructure. It was then realised that the project should be developed to provide a longer-term solution which can reflect the changing needs of the business.

4. There were two main competitors to Citrix in the market. However, it was agreed that Citrix offered the better solution.
5. The Group Manager – Infrastructure Manager detailed the testing that had taken place to ensure that the end solution will be fit for purpose. The 'go live' in January 2015 would take place with small groups and a phased approach was planned. If something was to go wrong, the system could be reverted to the original Citrix system within 10 minutes. There were also 300 servers and it would be unlikely for all to fail together. The outage in September 2012 had allowed lessons to be learnt although Citrix was not the root cause in that case.
6. The Head of Information Management and Technology informed the committee that other councils had been undertaking similar infrastructure projects for long periods of time and had got stuck. Officers from Surrey County Council had given advice to those other councils on how to undertake infrastructure projects.
7. Members discussed the security of using a cloud to store data. The Head of Information Management and Technology explained that a Surrey cloud would be used which would give the Council control over the data. Also no sensitive data could be stored in the external cloud and IMT was working closely with Information Governance.
8. The Chairman requested a short note on progress before the next meeting of the committee (**Recommendation Tracker ref: A54/14**).

**Actions/Further information to be provided:**

- i. Officers to provide a note on progress with the Citrix Systems upgrade project before the February meeting of the committee.

**RESOLVED:**

That the committee notes the report.

**Committee next steps:**

None.

**141/14 SOCIAL CARE DEBT AUDIT - MANAGEMENT ACTION PLAN:  
PROGRESS UPDATE [Item 13]**

**Declarations of interest:**

None.

**Witnesses:**

Neill Moore, Senior Principal Accountant

**Key points raised during the discussion:**

1. The introduced the report and tabled some supplementary data (attached as Annex A).
2. The Senior Principal Accountant advised the committee that the Strategic Finance Manager – Adult Social Care had been seconded away from the Council and that he would be taking on responsibility for this area. He explained that his background was not in Adult Social Care but that he had expertise in isolating and solving problems.
3. Members encouraged legal action where there was unsecured debt with no specific reason identified which was older than a year.

4. The Senior Principal Accountant felt that while a second Direct Debit date might help with cash flow, he did not think that it would increase Direct Debit uptake. Members suggested that people may not be setting up Direct Debits because they do not receive their income at the right time.
5. The Senior Principal Accountant outlined the efforts made to collect information from the two local authorities with higher levels of Direct Debit uptake. The Chairman suggested that the Portfolio Holder for Adult Social Care be asked to make contact with their counterpart on the issue.
6. The Senior Principal Accountant stated that a report would be taken to Adult Social Care Select Committee in January 2015. The Chairman asked for the Audit & Governance Committee to be sent a copy (**Recommendations Tracker ref: A55/14**).
7. The Senior Principal Accountant agreed to circulate information on how long it takes to complete probate and receive money when someone dies in debt to Adult Social Care (**Recommendations Tracker ref: A56/14**).
8. The Deputy Chief Finance Officer confirmed that there was a bad debt provision on the council's balance sheet.
9. The Chairman asked for a further report on progress against the management action plan to be scheduled, including progress on the second direct debit date, information about the two best practice local authorities and information on unsecured debt with no specific reason identified which was older than a year (**Recommendations Tracker ref: A57/14**).

**Actions/Further information to be provided:**

- i. Audit & Governance Committee to be sent the report on social care debt going to Adult Social Care Select Committee in January 2015.
- ii. The Senior Principal Accountant to circulate information on how long it takes to complete probate and receive money when someone dies in debt to Adult Social Care.
- iii. A further report to be scheduled on progress against the management action plan, including progress on the second direct debit date, information about the two best practice local authorities and information on unsecured debt with no specific reason identified which was older than a year.

**RESOLVED:**

That the committee notes the progress against the Audit management action plan.

**Committee next steps:**

None.

**142/14 HALF-YEAR SUMMARY OF INTERNAL AUDIT IRREGULARITY INVESTIGATIONS AND COUNTER FRAUD MEASURES: APRIL - SEPTEMBER 2014 [Item 14]**

**Declarations of interest:**

None.

**Witnesses:**

Reem Burton, Lead Auditor  
Sue Lewry-Jones, Chief Internal Auditor

**Key points raised during the discussion:**

1. The Lead Auditor introduced the report. She informed the committee that the Council had secured £539,500 from the Department of Communities and Local Government Counter Fraud Fund. She also highlighted a case previously reported to the committee regarding theft of money from a school shop in December 2013. The case was now being led by the police and would be going to court.
2. The Lead Auditor confirmed that the successful funding bid would help with extra resources for counter-fraud activities. The Chief Internal Auditor agreed to circulate the submitted bid for funding to the committee (**Recommendations Tracker ref: A58/14**).
3. Members were reminded of the counter-fraud seminar in January 2015.

**Actions/Further information to be provided:**

- i. Chief Internal Auditor to circulate the submitted bid for funding from the DCLG Counter Fraud Fund to the committee.

**RESOLVED:**

That the committee notes the report.

**Committee next steps:**

None.

**143/14 RISK MANAGEMENT HALF YEAR REPORT [Item 15]****Declarations of interest:**

None.

**Witnesses:**

Verity Royle, Senior Principal Accountant – Management Accounting

**Key points raised during the discussion:**

1. The Senior Principal Accountant introduced the report.
2. A Member expressed concern that the residual risk for safeguarding had been determined to be medium and pointed out the reputational damage of actions that contribute in any way to a major impact on a vulnerable person.
3. In response to a question about the risk rating for Adult Social Care, the Senior Principal Accountant explained that risk to Adult Social Care is addressed by a number of the risks on the Leadership Risk Register.

**Actions/Further information to be provided:**

None.

**RESOLVED:**

- a. That the committee confirms that it is satisfied with the risk management arrangements.
- b. That the committee notes the Leadership Risk Register.

**Committee next steps:**

None.

**144/14 GOVERNANCE UPDATE REPORT [Item 16]**

**Declarations of interest:**

None.

**Witnesses:**

Alex Moylan, Senior Accountant

**Key points raised during the discussion:**

1. The Senior Accountant introduced the report and reminded the committee that it had discussed information governance and social care debt during the meeting. An update had not yet been received on Children in Care Health and Dental Checks.
2. The Chairman informed the committee that he had seen a progress report to the Corporate Parenting Board and that he was seeking permission to share with the committee.

**Actions/Further information to be provided:**

None.

**RESOLVED:**

- a. That the committee confirms that it is satisfied with the ongoing governance work.
- b. That there are no concerns to refer to the Cabinet or relevant Cabinet Member at this time.

**Committee next steps:**

None.

**145/14 DATE OF NEXT MEETING [Item 17]**

The date of the next meeting was noted.

Meeting ended at: 12.50 pm

---

**Chairman**

This page is intentionally left blank

## Audit and Governance Committee 1<sup>st</sup> December 2014

### Supplementary analysis on Adult Social Care Debt

In addition to the Report on the progress on the Management Action Plan for Adult Social Care Debt, further information and analysis is provided on the debt position as at 31<sup>st</sup> October 2014.

**Table 1: Overall Adult Social Care Debt, as at 31<sup>st</sup> October 2014.**

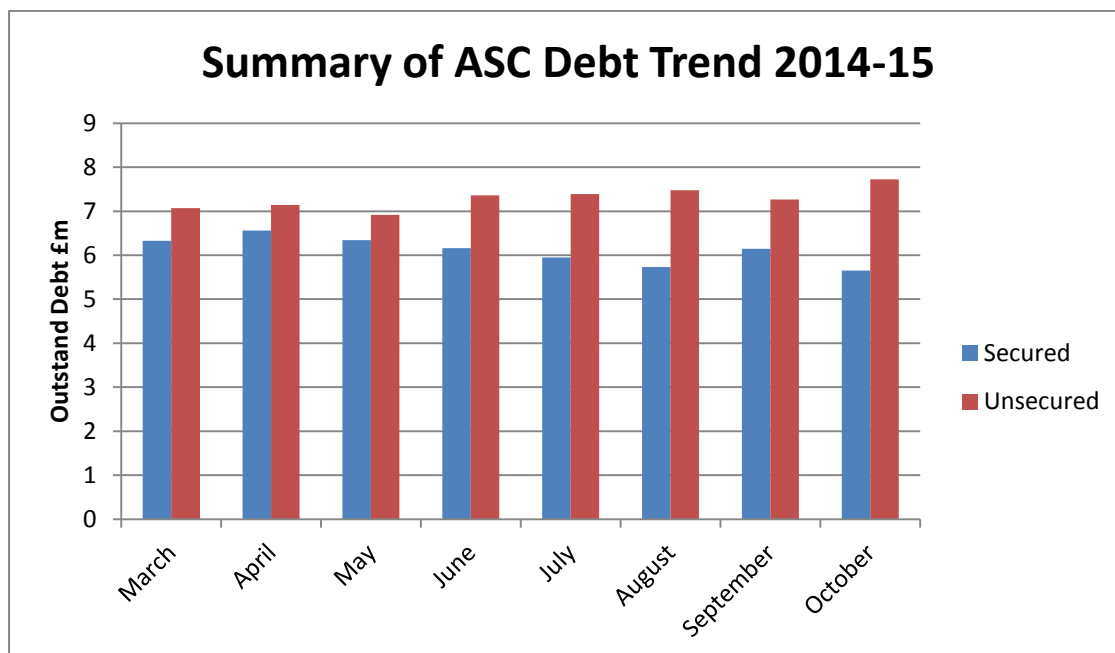
Note:		March	April	May	June	July	August	September	October
1	<b>Secured</b>	<b>6.33</b>	<b>6.56</b>	<b>6.34</b>	<b>6.16</b>	<b>5.95</b>	<b>5.73</b>	<b>6.15</b>	<b>5.65</b>
2*	<b>Unsecured (no specific reason identified)</b>	2.52	2.45	2.29	2.67	2.65	2.52	2.01	2.27
2a	Under query	0.45	0.52	0.54	0.44	0.37	0.48	0.54	0.60
2b	Query resolved, requiring adjustment	0.03	0.06	0.14	0.08	0.03	0.03	0.08	0.06
2c	Probate	0.19	0.23	0.22	0.22	0.22	0.24	0.35	0.43
2d	Installments	0.32	0.32	0.31	0.35	0.36	0.36	0.44	0.42
2e	Deferred payment applications	0.34	0.37	0.26	0.42	0.49	0.37	0.30	0.27
2f	External CoP / Deputyship	0.43	0.54	0.50	0.43	0.46	0.57	0.59	0.61
2g*	<b>Total unsecured debt subject to a recovery 'block'</b>	<b>1.75</b>	<b>2.04</b>	<b>1.97</b>	<b>1.95</b>	<b>1.93</b>	<b>2.05</b>	<b>2.30</b>	<b>2.40</b>
3	Legal	1.39	1.54	1.54	1.57	1.62	1.66	1.73	1.74
4*	ASC Deputyship	1.41	1.11	1.12	1.17	1.19	1.24	1.22	1.32
	<b>Unsecured debt outstanding</b>	<b>7.07</b>	<b>7.14</b>	<b>6.92</b>	<b>7.36</b>	<b>7.39</b>	<b>7.48</b>	<b>7.27</b>	<b>7.73</b>
	<b>Total</b>	<b>13.40</b>	<b>13.70</b>	<b>13.26</b>	<b>13.52</b>	<b>13.34</b>	<b>13.21</b>	<b>13.41</b>	<b>13.37</b>
5	Charges posted in month - not yet due	3.31	2.80	3.72	2.91	2.82	3.77	3.06	3.06
6	Total debt including charges posted in month	16.71	16.50	16.98	16.43	16.16	16.97	16.47	16.43
6a	Gross debt accounting credit balances	17.37	17.07	17.50	17.01	16.76	17.62	17.02	17.00
7	% received of amount billed (12 mth avg)	101%	101%	98%	102%	102%	101%	97%	94%
8	% pymts collected by DD	65%	65%	65%	65%	64%	65%	65%	65%
9	Number of cases referred	0	0	1	3	2	4	1	0
10	Value of debt at date referred	0.00	0.00	0.01	0.05	0.04	0.04	0.07	0.00
11	Number of 'open' cases	58	58	54	57	59	60	61	61
12	Current value of 'open' cases	1.91	1.56	1.58	1.61	1.66	1.71	1.76	1.82
13	Number of cases			17	34	18	23	12	29
14	Value of debt			0.09	0.02	0.05	0.003	0.04	0.04
*	<b>Unsecured debt not subject to Legal action</b>								
2*	Unsecured (no specific reason identified)		2.45	2.29	2.67	2.65	2.52	2.25	2.27
2g*	Total unsecured debt subject to a recovery 'block'		2.04	1.97	1.95	1.93	2.05	2.06	2.40
4*	ASC Deputyship		1.11	1.12	1.17	1.19	1.24	1.22	1.32
	<b>Total Unsecured debt not subject to Legal action</b>		<b>5.60</b>	<b>5.38</b>	<b>5.79</b>	<b>5.77</b>	<b>5.81</b>	<b>5.53</b>	<b>5.99</b>

## Explanatory notes to Table 1

- 1 Secured Debt: current value of debt secured against property and payable upon a future event
- 1a Secured debt: section 55 Deferred Payment Agreement / Legal Charge - payable 56 days after death
- 1b Secured debt: section 22 Imposed Legal Charge for failure to pay charges - payable on disposal of property
- 2\* Unsecured debt: value of outstanding debt that is not secured against property
- 2a Unsecured debt: a query / complaint has been raised by the debtor
- 2b Unsecured debt: a query / complaint has been resolved and account requires adjustment
- 2c Unsecured debt: deceased case awaiting grant of probate to resolve
- 2d Unsecured debt: payment of arrears by instalments has been agreed
- 2e Unsecured debt: debtor has applied for a deferred payment agreement
- 2f Unsecured debt: a charging order has been applied to property following litigation
- 2f\_1 Unsecured debt: external (non SCC) application for Cop / deputyship under way
- 2g\* Unsecured debt: Total: where a reason for non-payment is recorded and dunning suspended
- 3 Current value of cases referred to Legal Services for formal recovery action
- 4\* Current value of cases referred to the SCC Deputyship Team to investigate and where possible put appropriate arrangements in place to manage the finances of persons who lack mental capacity
- 5 Total value of care charges raised in the last month. These charges become due after 30 days
- 6 Total value of debt owed to Surrey County Council.
- 7 Debt paid as a proportion of charges raised (NB proportion will be lower than 100% as charges include secured debt)
- 8 Proportion of charges collected by direct debit
- 9 Number of cases referred to Legal Services for recovery - IM: in month; YTD: year to date; TTD: total to date
- 10 Value of cases referred to Legal Services for recovery - IM: in month; YTD: year to date; TTD: total to date
- 11 Number of current and 'open' legal cases being pursued
- 12 Value of current and 'open' legal cases being pursued
- 13 Number of cases approved for write-off in month
- 14 Aggregate value of write-offs approved in month

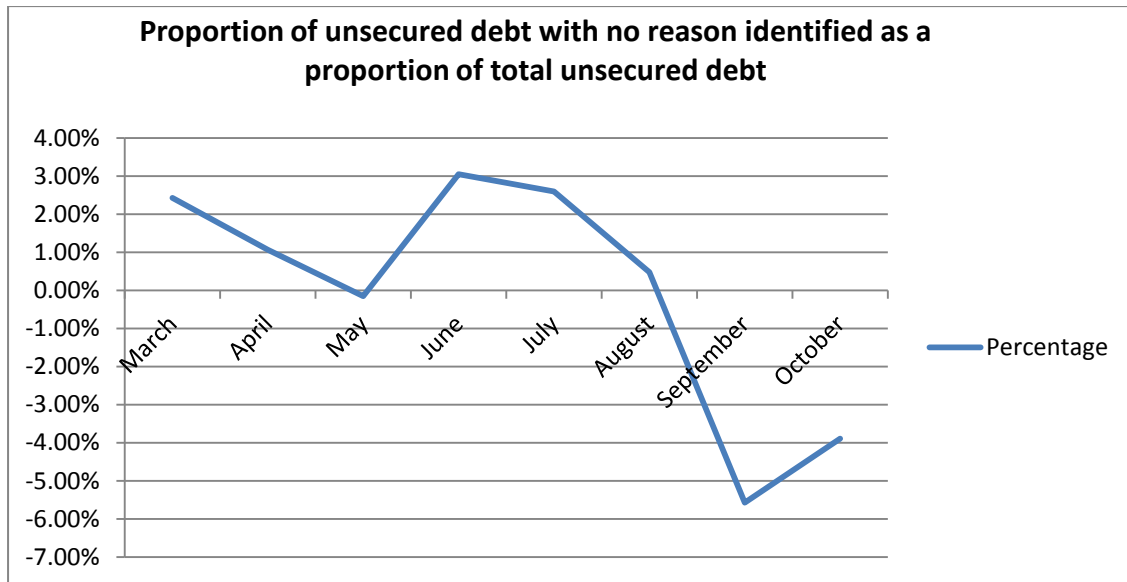
## Analysis of ASC Debt

Over the course of the 14-15 financial year, the secured debt has reduced whereas the unsecured debt has increased, making the overall level broadly static at around £17m gross.





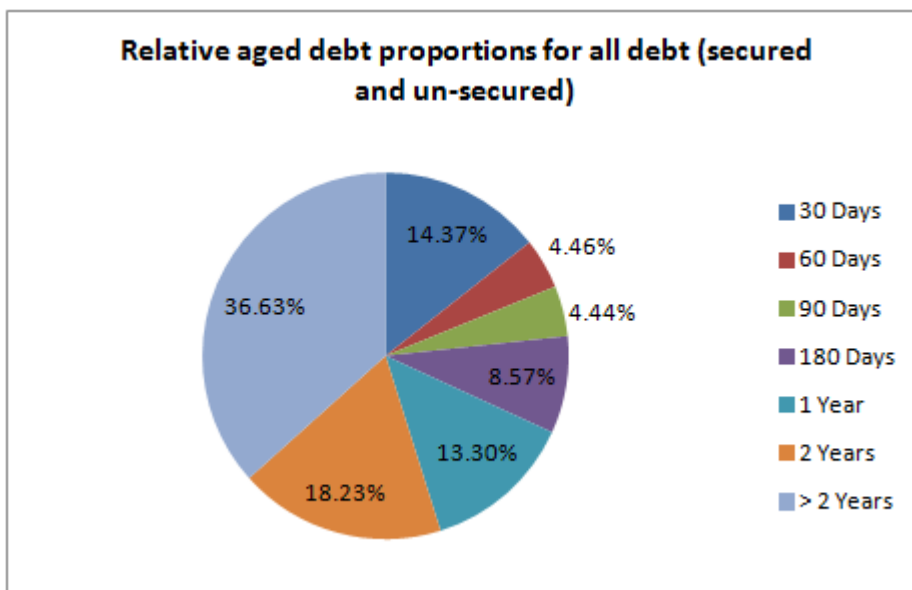
Whilst the trend in unsecured debt is increasing, more emphasis has been placed on understanding the reasons for unsecured debt remaining unpaid. The amount of unsecured debt with no specific reason identified has reduced as this analysis progresses.



### Aged Debt

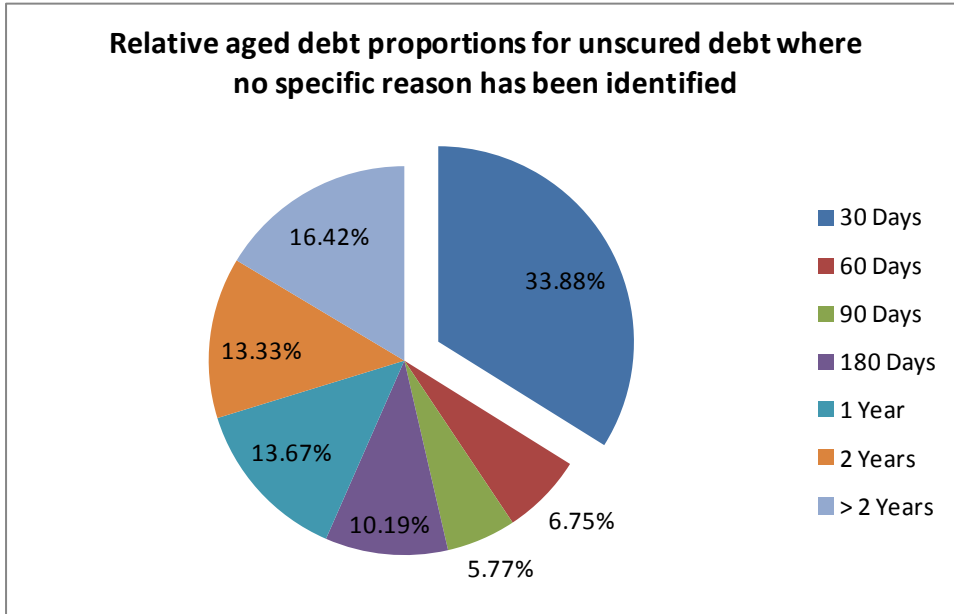
Initial analysis of the outstanding debt at 31<sup>st</sup> October 2014 shows the relative aged debt as:

30 Days	60 Days	90 Days	180 Days	1 Year	2 Years	> 2 Years
14.37%	4.46%	4.44%	8.57%	13.30%	18.23%	36.63%



This shows a higher proportion of the overall debt as being in excess of two years old whereas for unsecured debt with no specific reason identified the profile is:

30 Days	60 Days	90 Days	180 Days	1 Year	2 Years	> 2 Years
33.88%	6.75%	5.77%	10.19%	13.67%	13.33%	16.42%



This change in proportions would be expected as 33.88% of the outstanding debt is for changes that have been raised within the last 30days and have not yet fallen due for payment.

### **Summary**

This analysis builds on information that has previously been available to committee. Further work is required to ensure that the aged debt analysis is entirely consistent with the overall debt table. This information will be refreshed for discussion at the Adult Select Committee in January 2015.