

Notice of Meeting

Audit & Governance Committee



SURREY
COUNTY COUNCIL

Date & time
Monday, 7
December 2015
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



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[@SCCdemocracy](https://twitter.com/SCCdemocracy)

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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 Stuart Selleck (Chairman), Mr Denis Fuller (Vice-Chairman), Mr W D Barker OBE, Mr Will Forster, Mr Tim Hall and Mr Saj Hussain

Ex Officio:

Mr David Hodge (Leader of the Council), Mr Peter Martin (Deputy Leader and Cabinet Member for Economic Prosperity), Mrs Sally Ann B Marks (Chairman of the County Council) and Mr Nick Skellett CBE (Vice-Chairman of the County Council)

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES OF THE PREVIOUS MEETING: 28 SEPTEMBER 2015

(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 (*1 December 2015*).
2. The deadline for public questions is seven days before the meeting (*30 November 2015*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 RECOMMENDATIONS TRACKER

(Pages
15 - 28)

For Members to consider and comment on the Committee's recommendations tracker.

6 BABCOCK 4S LIMITED - ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

(Pages
29 - 66)

The Annual Report and Financial Statements of Babcock 4S for the year ended 31 March 2015 are formally presented to the Audit & Governance Committee.

- 7 GRANT THORNTON: AUDIT & GOVERNANCE COMMITTEE UPDATE** (Pages 67 - 78)
- This paper provides the Committee with a report on Grant Thornton's progress in delivering their responsibilities as the Council's external auditors. The paper also includes a summary of emerging national issues and developments.
- 8 EXTERNAL AUDIT: 2014/15 AUDIT FINDINGS REPORT FOR S.E. BUSINESS SERVICES LTD** (Pages 79 - 96)
- This report provides the Audit & Governance Committee with the outcome and findings of the external audit of the 2014/15 financial statements of S. E. Business Services Ltd.
- 9 GRANT THORNTON: 2015/16 KEY PERFORMANCE INDICATORS** (Pages 97 - 102)
- This report provides the Audit & Governance Committee with details of our proposed Key Performance Indicators (KPIs) for the 2015/16 year.
- 10 TREASURY MANAGEMENT HALF YEAR REPORT 2015/16** (Pages 103 - 116)
- This report summarises the council's treasury management activity during the first half of 2015/16, 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 2015/16, in accordance with the requirements of the CIPFA Prudential Code.
- 11 INTERNAL AUDIT HALF YEAR REPORT 2015/16** (Pages 117 - 162)
- This interim report summarises the work of Internal Audit during the first six months of 2015/16. 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 2015 and determine whether there are any matters that they wish to draw to the attention of the Cabinet and/or the County Council.
- 12 HALF YEAR SUMMARY OF IRREGULARITY INVESTIGATIONS AND COUNTER FRAUD MEASURES APRIL - SEPTEMBER 2015** (Pages 163 - 172)
- 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 2015.
- 13 COMPLETED INTERNAL AUDIT REPORTS** (Pages 173 - 182)
- The purpose of this report is to inform Members of the Internal Audit reports that have been completed since this Committee last considered a Completed Internal Audit Reports item in September 2015.
- 14 HALF YEAR RISK MANAGEMENT REPORT** (Pages 183 - 198)
- This half year risk management report enables the committee to meet its responsibilities for monitoring the development and operation of the council's risk management arrangements. It also presents the latest Leadership Risk Register.

- 15 ETHICAL STANDARDS ANNUAL REVIEW** (Pages 199 - 210)
To enable the Committee to monitor the operation of the Members' Code of Conduct over the last 12 months and to consider what advice and guidance about ethical standards it recommends to be offered to Members in the next 12 months.
- 16 OPERATION HORIZON: UPDATE ON SAVINGS** (Pages 211 - 214)
At a previous meeting the Audit & Governance Committee requested clarity and update on Surrey Highway progress in realising projected Project Horizon Savings, and to ensure that a process is in place for the financial transfer of savings to Surrey County Council (SCC). This was highlighted in the 2014 Audit Report and in the resulting Management Action Plan.
- 17 GOVERNANCE UPDATE REPORT** (Pages 215 - 220)
The purpose of this report is to provide a half year update on the areas within the 'Continually Strengthening Governance' section of the 2014/15 Annual Governance Statement and the governance arrangements during the first six months of 2015/16.
- 18 DATE OF NEXT MEETING**
The next meeting of Audit & Governance Committee will be on 22 February 2016.

David McNulty
Chief Executive

Published: 26 November 2015

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