# **Notice of Meeting**

# **Audit & Governance Committee**

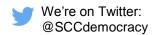
SURREY

Chief Executive
David McNulty

Date & time Monday, 5 December 2016 at 10.00 am Place
Ashcombe Suite,
County Hall, Kingston
upon Thames, Surrey
KT1 2DN

Contact Angela Guest Room 122, County Hall Tel 020 8541 9075

angela.guest@surreycc.gov



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 angela.guest@surreycc.gov.uk.

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Angela Guest 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 - 26 SEPTEMBER 2016

(Pages 1 - 8)

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

#### 3 DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- (i) Any disclosable pecuniary interests and / or
- (ii) Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

#### NOTES:

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

#### 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 (29 November 2016).
- 2. The deadline for public questions is seven days before the meeting (28 *November 2016*).
- 3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

#### 5 RECOMMENDATIONS TRACKER AND BULLETIN

(Pages 9 - 24)

To review the Committee's recommendations tracker and note the Bulletin which has been previously circulated.

# 6 REVIEW OF ENTRIES TO THE ONLINE GIFTS AND HOSPITALITY REGISTER

(Pages 25 - 32)

To ensure compliance with the Gifts and Hospitality guidance and address the related Internal Audit recommendation, this report presents a summary of the gifts and hospitality recorded online during the period 1 April 2011 to 31 March 2016 for consideration by this Committee.

#### 7 PROPERTY ASSET MANAGEMENT SYSTEM: UPDATE (Pages 33 - 36) The purpose of this report is to update the committee on progress made in the business as usual use of the Property Asset Management System (PAMS). 8 **BABCOCK 4S LIMITED - DIRECTOR'S REPORT AND FINANCIAL** (Pages STATEMENTS FOR THE YEAR ENDED MARCH 2016 37 - 80) The annual report and financial statements of Babcock 4S (formally VT4S) for the year ended 31 March 2016 were considered at a private meeting of the committee and the committee's findings are presented for noting. 9 **EXTERNAL AUDIT UPDATE REPORT** (Pages 81 - 100) 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. 10 2015/16 AUDIT FINDINGS REPORT FOR SE BUSINESS SERVICES (Pages AND HALSEY GARTON 101 -128) This report provides the Audit & Governance Committee with the outcome and findings of the external audit of the 2015/16 financial statements of S. Business Services Ltd and Halsey Garton Ltd. 11 TREASURY MANAGEMENT HALF YEAR REPORT 2016/17 (Pages 129 -This report summarises the council's treasury management activity and 142) the council's Prudential and Performance Indicators for the first half of 2016/17. 12 INTERNAL AUDIT HALF-YEAR REPORT (Pages 143 -This interim report summarises the work of Internal Audit during the first 186) six months of 2016/17. 13 **COMPLETED INTERNAL AUDIT REPORTS** (Pages 187 -The purpose of this report is to inform Members of the Internal Audit 202) reports that have been completed since the last meeting. 14 HALF-YEAR SUMMARY OF INTERNAL AUDIT IRREGULARITY (Pages **INVESTIGATIONS AND COUNTER FRAUD MEASURES APRIL -**203 -**SEPTEMBER 2016** 234) 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 2016.

#### 15 **RISK MANAGEMENT HALF-YEAR REPORT** (Pages 235 -248) This half-year risk management report has been produced to enable the committee to consider the risk management activity from April 2016 to date. To include the Leadership Risk Register. 16 **GOVERNANCE UPDATE REPORT** (Pages 249 -The purpose of this report is to provide a half year update on the 2015/16 252) areas of focus outlined in the 2015/16 Annual Governance Statement. **DRAFT WORK PROGRAMME 2017** 17 (Pages 253 -

# 18 EXCLUSION OF PUBLIC

**Recommendation:** That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following item(s) of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Schedule 12A of the Act.

The Committee's draft workplan for 2017 is attached for information.

## 19 DATE OF NEXT MEETING

The next meeting of Audit & Governance Committee will be on 20 February 2017.

David McNulty Chief Executive

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Published: 25 November 2016

## MOBILE TECHNOLOGY AND FILMING - ACCEPTABLE USE

Those attending for the purpose of reporting on the meeting may use social media or mobile devices in silent mode to send electronic messages about the progress of the public parts of the meeting. To support this, County Hall has wifi available for visitors – please ask at reception for details.

Anyone is permitted to film, record or take photographs at council meetings. Please liaise with the council officer listed in the agenda prior to the start of the meeting so that those attending the meeting can be made aware of any filming taking place.

Use of mobile devices, including for the purpose of recording or filming a meeting, is subject to no interruptions, distractions or interference being caused to the PA or Induction Loop systems, or any general disturbance to proceedings. The Chairman may ask for mobile devices to be switched off in these circumstances.

It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

Thank you for your co-operation