

Notice of Meeting

Audit & Governance Committee



Date & time

**Monday, 4
December 2017
at 10.30 am**

Place

Committee Room C,
County Hall, Kingston
upon Thames, Surrey
KT1 2DN

Contact

Joss Butler
Room 122, County Hall
Tel 020 8541 9702

joss.butler@surreycc.gov.uk

**Acting Chief
Executive**
Julie Fisher



We're on Twitter:
[@SCCdemocracy](https://twitter.com/SCCdemocracy)

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 joss.butler@surreycc.gov.uk.

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Joss Butler on 020 8541 9702.

Members

Mr David Harmer (Chairman), Mr Keith Witham (Vice-Chairman), Mr Edward Hawkins, Mr Ernest Mallett MBE, Dr Peter Szanto and Mrs Fiona White

Ex Officio:

Mr David Hodge CBE (Leader of the Council), Mr John Furey (Deputy Leader, Cabinet Member for Economic Prosperity), Mr Peter Martin (Chairman of the Council) and Mr Tony Samuels (Vice-Chairman of the Council)

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES OF THE PREVIOUS MEETING - 25 SEPTEMBER 2017

(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 (*28 November 2017*).
2. The deadline for public questions is seven days before the meeting (*27 November 2017*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 RECOMMENDATIONS TRACKER AND BULLETIN

(Pages 9
- 18)

To review the Committee's recommendations tracker.

6 2016/17 AUDIT FINDINGS REPORT FOR S. E. BUSINESS SERVICES LTD, SURREY CHOICES LTD & HALSEY GARTON LTD

(Pages
19 - 160)

This report provides the Audit & Governance Committee with the outcome and findings of the external audit of the 2016/17 financial statements of S. E. Business Services Ltd, Surrey Choices Ltd and Halsey Garton Ltd.

7	EXTERNAL AUDIT UPDATE REPORT	(Pages 161 - 180)
	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	TREASURY MANAGEMENT HALF YEAR REPORT 2017/18	(Pages 181 - 194)
	This report summarises the council's treasury management activity during the first half of 2017/18, 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 2017/18, in accordance with the requirements of the CIPFA Prudential Code.	
9	INTERNAL AUDIT HALF YEARLY REPORT 2017/18	(Pages 195 - 220)
	<p>This interim report summarises the work of Internal Audit during the first six months of 2017/18. 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 2017 and determine whether there are any matters that they wish to draw to the attention of the Cabinet and/or the County Council. A list of all Internal Audit reports issued in the period 1 April – 30 September 2017 is attached at Annex A for information.</p> <p>The Chief Internal Auditor reports key findings and recommendations arising from audits undertaken as part of regular reporting to this Committee on completed audits. As such this report focuses on activity undertaken rather than detailing audit findings previously identified. However in response to member interest in management action taken to implement Internal Audit recommendations this report also provides, at Annex B, an update on outstanding high priority actions from past audits.</p> <p>In addition to these two standard annexes, three more annexes are appended to this report for the Committee to consider:</p> <ul style="list-style-type: none"> • Annex C is a summary of performance against the Orbis-Internal Audit Key Performance Indicators; • Annex D provides a summary of the proposal to undertake the assessment of the Internal Audit function against Public Sector Internal Audit Standards (PSIAS) through the South West Audit Partnership (SWAP); and • Annex E is a draft Reporting and Escalation policy for audit reports. 	
10	HALF-YEAR IRREGULARITIES REPORT	(Pages 221 - 254)
	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 2017.	

- 11 COMPLETED INTERNAL AUDIT REPORTS** (Pages 255 - 264)
- 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 2017 - as attached at Annex A.
- 12 HALF YEAR RISK MANAGEMENT REPORT** (Pages 265 - 278)
- 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.
- 13 GOVERNANCE UPDATE REPORT** (Pages 279 - 282)
- The purpose of this report is to provide an update on the council's governance arrangements during the first six months of 2017/18.
- 14 DATE OF NEXT MEETING**
- The next meeting of Audit & Governance Committee will be on 22 January 2018.

Julie Fisher
Acting Chief Executive
Published: 24 November 2017

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