

Audit & Governance Committee

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Welcome...

Welcome to the Audit & Governance Committee Bulletin.

The purpose of this bulletin is to keep Members and officers up to date with local and national issues relevant to the Audit & Governance Committee.

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Update from previous Audit & Governance Committee meetings

Audit & Governance Committee: Effectiveness Review	A task group of the Audit & Governance Committee has continued its review of the committee's effectiveness. A final report will be brought to the meeting on 25 September 2014.
Annual Report	The Council's Annual Report 2013/14 has now been published on the public website. You can find it in the Key Strategies Bookcase .
Letters	At the meeting of Audit & Governance Committee on 31 July 2014, it was agreed to refer issues on Operation Horizon and the SEN Strategy to the relevant Cabinet Members. Letters were sent on 1 September and are attached below. The responses will be included with the next edition of the bulletin.

Internal Audit update

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Current Audits	The following audits are currently in progress or at the planning stage: Surrey Choices Financial Assessments and Charging SAP - Change Control Process Surrey Fire and Rescue Operation Assurance Domestic Abuse Direct Payments (Children's) Organisation Ethics Carbon Reduction Scheme/Green House Gases Local Sustainable Transport Fund Waste Management and Minimisation
Counter Fraud Work	
National Fraud Initiative	Internal Audit is currently preparing for the latest National Fraud Initiative (NFI) data matching exercise. This is a biennial process coordinated by the Audit Commission which aims to identify fraud across the public sector. The council is required to provide data including: payroll data and contact information for employees and pensioners; vendor data and payment information; insurance claimant information; and adult social care data about individuals in residential care or receiving direct payments. Internal Audit will ensure the relevant data is available and in the correct format for submission using the secure facility within the NFI website by the October 2014 deadline.
Fraud Awareness Presentations	As part of on-going counter fraud work, the Internal Audit team have developed and piloted a presentation designed to raise awareness of the risk of fraud. This will now be rolled out to services/teams across the organisation together with an offer to facilitate fraud risk workshops as required.
Counter Fraud Fund	The Department for Communities and Local Government has recently announced the creation of a counter fraud fund of approximately £16million to increase the capacity and capability of local government to tackle losses from non-benefit fraud. Internal Audit is working on a bid submission that focuses on working more collaboratively with our district and borough partners, including sharing both data and expertise.

Further information

Independent Commission on Local Government Finance May 2014	May 2014 saw the first meeting of The Independent Commission on Local Government Finance, a body tasked with making recommendations for the reform of local government finance. It will also find better ways to fund local services and promote economic growth in England. It has been established by the LGA and the Chartered Institute for Public Finance (CIPFA), the professional body for public finance professionals and is chaired by Darra Singh, partner in EY (formally Ernst & Young)'s government and public sector team.
Local Government Transparency Code 2014 May 2014	The Local Government Transparency Code 2014 has been issued to meet the Government's desire to place more power into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services. The Code and a set of frequently asked questions are attached.

<p>IFAC and CIPFA release new framework for good governance in the public sector</p> <p>2 July 2014</p>	<p>The International Federation of Accountants® and the Chartered Institute of Public Finance and Accountancy have together developed the International Framework: Good Governance in the Public Sector, to encourage more effective public sector governance.</p> <p>The Framework encourages better governed and managed public sector entities by improving how they set and achieve their intended outcomes. Enhanced stakeholder engagement, robust scrutiny and oversight of those charged with primary responsibility for determining an entity’s strategic direction, operations, and accountability leads to more effective interventions and better outcomes for the public at large.</p>
<p>Local authority appoints lawyer amid claims of bullying by councillors</p> <p>2 July 2014</p>	<p>Portsmouth City Council has appointed a solicitor to investigate allegations of bullying by councillors.</p>
<p>PAC chair calls for review of public audit</p> <p>3 July 2014</p>	<p>The chair of the Public Accounts Committee has called for an examination into the future of public audit following the abolition of the Audit Commission.</p>
<p>Regulatory compliance and quality review programme: Annual Report 2014</p> <p>July 2014</p>	<p>Audit Commission’s annual report provides an overview of the quality of work across all their appointed audit suppliers. In addition there is an annual report for each external audit firm.</p>

Updates from other Committees

Listed below are a number of committee reports that may be of interest to the Committee, as they cross into the Committee’s remit or they relate to matters recently discussed at Audit & Governance Committee, or that the Committee have shown an interest in:

<p>Cabinet</p>	<p>At her meeting on 17 July 2014, the Cabinet Member for Schools and Learning considered the following report:</p> <ul style="list-style-type: none"> • Approval of Schools’ Deficits 2014/15 <p>At its meeting on 22 July 2014, the Cabinet considered the following reports:</p> <ul style="list-style-type: none"> • Local Government Ombudsman report with a finding of maladministration • Finance and Budget Monitoring Report for June 2014 • Legal Services Framework • Services to Schools and School Improvement Contract Extension – Babcock 4S Ltd • Woking Town Centre Regeneration • Establishment of a Transport-Related Local Authority Trading Company <p>At his meeting on 22 July 2014, the Leader of the Council considered the following report:</p> <ul style="list-style-type: none"> • Financial Support to Voluntary, Community and Faith Bodies
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Council Overview & Scrutiny Committee	<p>At its meeting on 2 July 2014, the Council Overview & Scrutiny Committee considered the following reports:</p> <ul style="list-style-type: none"> • Budget Monitoring – May 2014 <p>At its meeting on 4 June 2014, the Council Overview & Scrutiny Committee considered the following report:</p> <ul style="list-style-type: none"> • Year End Financial Budget Outturn 2013/14
Communities Select Committee	<p>At its meeting on 23 July 2014, the Communities Select Committee considered the following report:</p> <ul style="list-style-type: none"> • Regulation of Investigatory Powers Act 2000 (RIPA) Review 2013/14

Upcoming

The next meeting of the Audit & Governance Committee is on 25 September 2014. The following items are on the agenda:

- Council Complaints 2013/14
- Ethical Standards – Annual Review
- Leadership Risk Register
- Completed Internal Audit Reports
- Audit & Governance Effectiveness Review: Final Report

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