

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

Local Sustainable Transport Fund 14/15	<p>At the December meeting of the committee, the Chief Internal Auditor was asked to circulate information on the difficulty in resolving the eligibility of some mobilisation costs associated with the Onslow Park and Ride. On 12 January 2015, she circulated the following information:</p> <p>There was thought to be a claim for mobilisation costs before Skanska initially withdrew from the site because of outstanding legal issues, which may include an amount to recompense Skanska for 'standing by' when work could not begin as planned. However, the Skanska Construction Team were redeployed fairly promptly to other jobs. The extent to which any standby costs were ever included in cumulative costs for this site works has been difficult to establish, but will need to be concluded upon by the time that the final account for the Onslow Park and Ride contract is submitted by Skanska.</p>
Citrix Systems upgrade: progress	<p>At the December meeting, officers were asked to provide a note on progress with the Citrix Systems upgrade project in the new year. The following has been provided:</p> <p>I am pleased to inform you that the Citrix project has continued to make great strides. From both a budgetary and scheduling prospective things remain on track for the delivery of our pilot group of customers on the new platform.</p> <p>In December the team completed the migration of relevant data (over 8 million files) to new servers three weeks ahead of schedule. Over the last week and a half we have had a team based at the first (and largest) pilot site in Uckfield performing both user acceptance testing of the new Citrix farm and its applications. This will be completed by the end of this week, where the team will then move onto the other pilot groups, and we remain confident that we will stick to our target deadlines. We continue to package applications up for the new systems at a steady rate and so far have had very few errors.</p>

	<p>General customer feedback so far is that the new platform is much faster, especially in the context of applications such as Notes and Microsoft office, and they like some of the elements that we have made simpler for them (e.g. printing options).</p> <p>Next steps are to communicate with the remaining pilot teams over the next week and to start the rollout to Registrars and some Fire and Rescue sites.</p>
Social Care Debt	<p>In response to a query about how long it takes to complete probate and receive money when someone dies in debt to Adult Social Care, officers have responded:</p> <p>“There is no hard and fast rule. A "minimum" period would be 3 months in the most simple estates; and pursued in a timely fashion, with little delay with probate being issued. However, other cases with complex estates can take far longer, and sometimes run into years”.</p> <p>In December, officers were asked to circulate the progress update on the social care debt audit management action plan which was being considered by Adult Social Care Select Committee on 15 January 2015. This can be found at the link below:</p> <p>http://mycouncil.surreycc.gov.uk/ieListDocuments.aspx?CId=143&MId=3629&Ver=4</p>

Internal Audit update

Current Audits	<p>The following audits are currently in progress or at the planning stage:</p> <ul style="list-style-type: none"> Highways Contract - Safety Defects and Inspections Information Governance Telecare Accounts Payable Accounts Receivable Revenue Budgetary Control Public Health School Audits
2015/16 Internal Audit Planning Process	<p>The Internal Audit team is currently meeting with key officers across all key service areas to consider areas for possible inclusion in the 2015/16 Internal Audit Plan. The Chief Internal Auditor is also seeking input from key members including all members of the Audit and Governance Committee.</p> <p>The draft plan will be presented to the Audit and Governance Committee for approval on 9 April 2015.</p>

Counter Fraud Work	<p><u>Fraud Awareness Presentations</u></p> <p>As part of on-going counter fraud work the Internal Audit team has developed a presentation designed to raise awareness of the risk of fraud. So far more than 150 officers have attended these presentations. This is now being rolled out to teams in Adult Social Care and Children, Schools & Families, with more than 15 presentations scheduled in January and February 2015.</p> <p><u>Counter Fraud Fund</u></p> <p>The Council has been successful in a bid to the Department for Communities and Local Government (DCLG) for some funding for proactive counter fraud work. The Council received £179,500 in December 2014 and expects to receive a further £360,000 in Quarter One of 2015/16.</p> <p>The bid was submitted by Surrey County Council who will be coordinating a programme of counter fraud activity in partnership with seven of Surrey's districts/boroughs. Although the funds are paid directly to the County Council as the lead authority, a significant proportion of the monies will need to be distributed to partnering districts and boroughs to fund fraud investigative work.</p> <p>An officer based Partnership Board has been established to facilitate joint working on a range of counter fraud activities and boost investigation resources. The aim is to undertake extensive cross authority data matching leading to increased rates of fraud and error identification and prevention; all underpinned by investigation of potential frauds by experienced investigators. Savings across participating partners arising as a result of the planned work are estimated to be approximately £400k for 2014/15 and £800k for 2015/16.</p> <p><u>Fraud Survey</u></p> <p>The Fraud Culture Survey launched by Internal Audit closed in November with a total of 480 responses. The answers and results of the survey were made available on S:net in December. Results from the survey suggest a healthy attitude towards fraud and the results are being used to help shape the approach being taken to tackle fraud.</p>
Staffing News	<p>Two agency members of staff have recently joined the Internal Audit team to help deliver the 2014/15 audit plan. Tasneem Ali will be working on schools' audits as well as specific service audits. Luis Choudhary will assist with audits of the Council's key financial systems. Both Tasneem and Luis have previously worked as agency staff within the Internal Audit team.</p>

Further information

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<p><u>Best Value inspection of London Borough of Tower Hamlets</u></p> <p>16 October 2014</p>	<p>The Secretary of State for Communities and Local Government, Eric Pickles, announced the findings of a report from PricewaterhouseCooper (PwC) following an inspection of Tower Hamlets. The inspection and report were prompted by concerns about governance, poor financial management and possible fraud. While the report concludes there was serious systems failure it rejected that the authority had been fraudulent.</p>
<p><u>Finance Guidance on the Better Care Fund and S.75 Budgets from CIPFA and the HFMA</u></p> <p>October 2014</p>	<p>As part of plans to implement the Better Care Fund, the Healthcare Financial Management Association (HFMA), in conjunction with the Chartered Institute of Public Finance and Accountancy (CIPFA), has released guidance for finance professionals. This looks at:</p> <ul style="list-style-type: none"> • The legislation and regulations that underpin the operation of a pooled budget • The finance, governance and operational arrangements that clinical CCGs and local authorities need to be discussing and putting in place now in order to be ready for 'go live' on 1 April 2015 • The accounting standards that will apply and need to be considered in advance of preparing the signed agreement that will underpin the pooled budget.
<p><u>Protecting the Public Purse</u></p> <p>October 2014</p>	<p>The Audit Commission has published its 2014 report 'Protecting the Public Purse' on counter-fraud in local government. This includes a profile of the first Proceeds of Crime Act (POCA) judgement to accept the loss to councils from tenancy fraud.</p>
<p><u>Planning for the Better Care Fund</u></p> <p>11 November 2014</p>	<p>This report by the National Audit Office criticises government planning for the Better Care Fund. It calls planning 'inadequate' and says that they did not match the scale and ambition of the programme. It calls on the government to offer more support to local areas. The Better Care Fund is a pooled health and social care budget which aims to integrate local services and reduce hospital admissions.</p>
<p><u>Auditing bodies unite to produce good practice guide on whistleblowing</u></p> <p>25 November 2014</p>	<p>A good practice guide for workers and employers of the public sector has been produced jointly by the four supreme audit agencies of the UK.</p>
<p><u>Council collection rates under scrutiny</u></p> <p>27 November 2014</p>	<p>A total of £4.55 billion in council tax and business rates went unpaid at the end of 2013/14, according to figures published by the Audit Commission. This figure was up by 6% on previous years.</p>
<p><u>Rising to the challenge: the evolution of local government</u></p> <p>December 2014</p>	<p>This report by Grant Thornton looks at the financial health of local authorities in England. It examines the financial performance, planning, governance and controls of councils. The report says that most local authorities have continued to rise to the challenge posed by government funding reductions but they must continue to evolve. It includes a case study on Surrey County Council's budget planning process (Page 20).</p>

<p>Auditing the Accounts</p> <p>11 December 2014</p>	<p>“On Thursday 11 December the Audit Commission published its annual Auditing the Accounts report. ... [T]his publication makes specific reference to our achievement of significantly reducing our closing timetable for 2013/14. The following link takes you to the full report or for those of you pushed for time, skip to page 10 which states:</p> <p>'Surrey County Council has demonstrated that other bodies can also significantly improve the timeliness of their financial reporting. The auditor was able to issue the opinion on 4 August 2014, 32 days earlier than for 2012/13, and the Council published its audited accounts on 13 August 2014, 45 days earlier.' “</p> <p style="text-align: right;">- Nikki O'Connor</p>
<p>Transforming contract management: report published</p> <p>10 December 2014</p>	<p>The Public Accounts Committee has published its report on Transforming Contract Management.</p>
<p>UK anti-corruption plan</p> <p>18 December 2014</p>	<p>The cross-government Anti-Corruption Plan brings together, for the first time, all of the UK's activity against corruption in one place.</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 its meeting on 21 October 2014, the Cabinet considered the following reports:</p> <ul style="list-style-type: none"> • Local Strategic Statement and Surrey Strategic Planning and Infrastructure Partnership • Finance and Budget Monitoring Report for September 2014 • Creation of a Joint Trading Standards Service with Buckinghamshire County Council <p>At its meeting on 25 November 2014, the Cabinet considered the following reports:</p> <ul style="list-style-type: none"> • Finance and Budget Monitoring Report for October 2014 • Leadership Risk Register <p>At its meeting on 16 December 2014, the Cabinet considered the following reports:</p> <ul style="list-style-type: none"> • Surrey Local Flood Risk Management Strategy • Finance and Budget Monitoring Report for November 2014 • Health and Social Care Integration
<p>Surrey Pension Fund Board</p>	<p>At its meeting on 14 November 2014, the Surrey Pension Fund Board considered the following reports:</p> <ul style="list-style-type: none"> • Manager Issues and Investment Performance • Revised Statement of Investment Principles • Core Belief Statement • Class Actions • Pension Fund Risk Register • Key Performance Indicators • Local Government Pension Scheme: Draft Governance Regulations

Adult Social Care Select Committee	<p>At its meeting on 23 October 2014, the Adult Social Care Select Committee considered the following reports:</p> <ul style="list-style-type: none"> • Update from the Performance and Finance Sub-Group <p>At its meeting on 19 December 2014, the Adult Social Care Select Committee considered the following reports:</p> <ul style="list-style-type: none"> • Adult Social Care Directorate October 2014 Budget Monitoring Report
Children and Education Select Committee	<p>At its meeting on 27 November 2014, the Children and Education Select Committee considered the following reports:</p> <ul style="list-style-type: none"> • Children's Services Annual Complaints Report • School Governance Task Group – Interim Report
Council Overview & Scrutiny Committee	<p>At its meeting on 6 November 2014, the Council Overview and Scrutiny Committee considered the following reports:</p> <ul style="list-style-type: none"> • Appraisal Completion Update Report for 2013/14 • Budget Monitoring Report
Environment and Transport Select Committee	<p>At its meeting on 27 October 2014, the Environment and Transport Select Committee considered the following reports:</p> <ul style="list-style-type: none"> • Report of the Flooding Task Group <p>At its meeting on 15 December 2014, the Environment and Transport Select Committee considered the following reports:</p> <ul style="list-style-type: none"> • Highways and Transport Member Reference Group Report on the Kier Contract • Surrey Highways – Safety Defect Year 1 Review • Agreement with Surrey Wildlife Trust for the Management of the County Council's Countryside Estate
Health Scrutiny Committee	<p>At its meeting on 20 November 2014, the Health Scrutiny Committee considered the following report:</p> <ul style="list-style-type: none"> • Better Care Fund Update

Upcoming

The next meeting of the Audit & Governance Committee is on 16 February 2015. The following items are on the agenda:

- External Audit – Audit Plan
- National Financial Resilience Report
- Statutory Responsibilities Network
- Assurance Framework
- Update: SEN Strategy and Residential Strategy
- Leadership Risk Register
- Completed Internal Audit Reports
- Annual Report of the Audit & Governance Committee

Committee Contacts

Nick Harrison - Committee Chairman
Phone: 01737 215405
nicholas.harrison@surreycc.gov.uk

Cheryl Hardman – Committee Manager
Phone: 020 8541 9075
cherylh@surreycc.gov.uk

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