



AUDIT & GOVERNANCE COMMITTEE
6 December 2012

GOVERNANCE UPDATE REPORT

SUMMARY AND PURPOSE:

The purpose of this report is to provide a half year update on the 2012/13 areas of focus outlined in the 2011/12 Annual Governance Statement.

RECOMMENDATIONS:

The Committee is asked to:

- a) Confirm they are satisfied with the ongoing governance work; and
- b) Refer any concerns to the Cabinet or relevant Cabinet Member.

INTERNAL CONTROL ENVIRONMENT:

- 1 The 2011/12 Annual Governance Statement (AGS) identified a number of areas within the internal control environment that require strengthening in order to enhance the overall governance arrangements.

Direct Payments (DPs)

- 2 'Social care reviews should be conducted at least annually in accordance with stated policy and DP account reconciliations should refer to the associated support plan that details the purpose the DP has been agreed for.'

A follow up audit is currently underway and the findings of the Direct Payment review group were reported to the Adults Social Care Select Committee on 30 November.

Rental Income

- 3 'There should be monitoring of rents received at property level by Estates Planning and Management with appropriate debt recovery arrangements in place.'

An update on progress is included within Annex C (Management Action Plan – progress update) of the Completed Internal Audit Reports item.

Health and Safety (H&S)

- 4 'There is a need to record investigations and share outcomes/actions to ensure corporate learning.'

An audit of Health and Safety has been undertaken and the findings reported to the Audit and Governance Committee in September 2012. An update is also included within Annex C (Management Action Plan – progress update) of the Completed Internal Audit Reports item.

Capital Monitoring

- 5 'There is a need for more robust challenge of forecast expenditure as well as improved mechanisms to ensure capital spending priorities are delivered in a timely manner.'

An update on progress is included within Annex C (Management Action Plan – progress update) of the Completed Internal Audit Reports item.

Information Governance

- 6 'The council needs to continue to foster a culture where every individual sees data protection as part and parcel of their role, particularly as the council is moving towards more mobile/flexible working arrangements.'

An audit of data protection compliance has been undertaken and the findings were reported to the committee in September 2012. An update is also included within Annex C (Management Action Plan – progress update) of the Completed Internal Audit Reports item.

2012/13 GOVERNANCE ARRANGEMENTS:

- 7 Updates on many different areas of governance are continuously reported to senior management and members through Boards, Steering Groups and Select Committees. The Governance Panel and the Quality Board are specifically responsible for ensuring the adequacy of the arrangements.
- 8 The 2011/12 Annual Governance Statement (AGS) identified three areas of focus for the 2012/13 year to ensure continual improvements in governance:
- Engagement and involvement
 - Localism
 - Information governance
- 9 The information below provides an update on recent developments that the council is working on, governance arrangements that are already in place and areas that internal audit have reviewed in relation to the three specific areas of focus outlined above.

Engagement and involvement

- 10 The council continues to strengthen its approach to engagement and involvement following the publication of *One County One Team – our commitment to public involvement* in March 2012.
- 11 Existing activity to gather feedback from residents has carried on such as the quarterly **Surrey Residents Survey** commissioned jointly with Surrey Police as well as a range of **service or topic specific consultations** to help inform and shape council services (e.g. consultation on the Local Flood Risk Management Strategy or consultation related to changes at schools across Surrey). **Web casts** of council meetings are available on the council's website and the council's **digital press office** has made accessing the latest news stories about the council much easier.
- 12 New initiatives to strengthen resident engagement and involvement include the council's **budget consultation** for 2013-18 which was launched to the public

on Monday 29 October 2012. The council is working with a research company to gather data on residents' spending priorities to understand which services they value most. The results will show which services residents would prioritise spending on and the likely impact that budget changes will have on resident satisfaction. The consultation is accessible through the Council's website, and 150 people are also being interviewed to ensure a representative sample of Surrey's population is included in the results.

- 13 The way the council engages residents through its 11 **local committees** has also been reviewed as part of the council's Public Value Review programme and a report was presented to the Cabinet on 27 November 2012 setting out a series of recommendations aimed at strengthening its approach. The Cabinet Member for Community Services and the 2012 Games will be working with the Local Committee Chairmen to agree how the recommendations will be taken forward.
- 14 The council's use of **social media** has increased. A recent Internal Audit review of social media found that the council operates 15 official Twitter feeds excluding libraries, a Facebook page, a Youtube channel and a Flickr account. These provide new ways to disseminate information and engage with the people that the council serves. It was also noted that the council has already used social media in an operational capacity with some success in the winter snows of 2010-2011.
- 15 The Internal Audit found that the council's approach to the social media landscape is unstructured. Core digital communications functions such as the communications team, the web operations team and virtual content team have a clear purpose to their social media activities; however the rest of the council did not, in the opinion of the auditor appear to share this clarity. The audit recommended that a strategy should be created to cover social media activities. This strategy should clearly detail what corporate values or objectives social media should support e.g. increasing influence of residents or improving quality through innovation etc.
- 16 The Council is committed to strengthening its capacity and capability to innovate and a paper was presented to Cabinet on 27 November that outlined the council's **approach to innovation**. A corporate **peer challenge** will take place in February 2013, which will focus on the council's innovation capacity and capability.

Localism

- 17 A wide range of activities relating to the localism agenda are being undertaken by the council, varying in scale from small consultation events to public service transformation. Teams across the council have ensured that the council was well prepared for the additional provisions that came into force in April 2012.
- 18 The most recent change has been the **abolition of the Standards Board** and changes to the standards regime. The revised arrangements were approved and adopted by Council in July 2012.

Information governance

- 19 An Internal Audit review of **data protection compliance** completed in July 2012 concluded that the council generally has appropriate policies and procedures in place to ensure compliance with Data Protection, however more work was required to define practices around taking sensitive data out of council premises. The Corporate Information Governance Manager agreed to

work with HR to look into practices of using personal and confidential data and information whilst working from home. The transformation team and IMT are to be involved in this review of associated policies and procedures.

In a recent audit of **records management**, audit testing delivered positive results with records generally being secure, well managed, and conscious of retention schedules and recording systems accurate.

The audit did identify some issues over physical security of sensitive records in county hall although these are somewhat mitigated by overall building security and appropriate procedures now being in place for recording archive information and the increased use of electronic storage.

IMPLICATIONS:

Financial

20 There are no direct financial implications of this report.

Equalities

21 There are no direct equalities implications of this report.

Risk management

22 Sound governance and internal control leads to improvements in council performance.

WHAT HAPPENS NEXT:

Governance update reports will be provided to future Committee meetings.

REPORT AUTHOR: Ann Charlton, Chair of Governance Panel

CONTACT DETAILS: 020 8541 9001 or ann.charlton@surreycc.gov.uk

Sources/background papers: 2011/12 Annual Governance Statement, governance review working papers
