

Audit & Governance Committee

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.

Contents	Page No.
1. Update from previous Audit & Governance Committee meetings	1
2. Internal Audit update	1
3. Further information	3
4. Updates from other committees	5
5. Upcoming	6
6. Committee Contact Details	6

Update from previous Audit & Governance Committee meetings

None

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"> Information Governance Telecare Accounts Payable Accounts Receivable Risk Management Streetworks Permit Scheme AIS Care Assessment Process Appraisals - Follow-up
2015/16 Internal Audit Planning Process	<p>The Internal Audit team has been meeting with key officers across all key service areas to consider areas for possible inclusion in the 2015/16 Internal Audit Plan and the views of members of the Audit and Governance Committee were captured at an informal meeting with the Internal Audit team on 16 February.</p> <p>The draft plan will be discussed at a meeting of the Statutory Responsibilities Network in March and will be presented to the Audit and Governance Committee for approval on 9 April 2015.</p>

Counter Fraud Work	<p><u>Audit & Governance Committee - Seminar on Counter Fraud Arrangements</u></p> <p>Members of the Audit & Governance Committee attended a seminar on the council's arrangements to counter fraud. Reem Burton and Lyle Lumsden from the Internal Audit team gave presentations covering the following:</p> <ul style="list-style-type: none"> • The main areas of fraud risk the organisation is exposed to. • The principles of good fraud risk management practice • Results and implications of the Fraud Culture survey of Council staff • The organisation's arrangements for tackling fraud. • The approach to and findings from, the recent audit of Fuel Cards <p><u>National Fraud Initiative</u></p> <p>The National Fraud Initiative (NFI) data upload took place in October and the results are now available.</p> <p>The NFI exercise has identified 18,500 data matches across 47 reports. This is a 5% increase from the 17,600 matches identified in the 2012/13 exercise. This is due to the inclusion of a new data set regarding direct payments.</p> <p>The three highest priority matches relating to the immigration status of employees have now been investigated. In each case there was no issue identified, the match being caused by timing issues or the failure of individuals to update their status. One point noted was the need to keep copies of updated immigration/right to work status on central personnel files.</p> <p>We are currently examining the creditor and pensions data where a high number of matches were identified. A further update on the outcomes of this work will be available at the Half Year Irregularity Report which will be presented to the Audit and Governance Committee in May.</p>
Partnership Working	<p>Internal Audit management are currently exploring opportunities to work more closely with Elmbridge Borough Council. Meetings have been held with the Deputy Chief Executive and Chief Finance Officer (S151) at Elmbridge to discuss the possible provision by Surrey County Council of Internal Audit resource, including the role of Chief Internal Auditor.</p>
Staffing News	<p>One agency member of staff, Tasneem Ali, recently left the team to take up another opportunity and a new agency member of staff, Ian Wallace has joined the team. Ian has extensive experience of working in Internal Audit in local government and will lead on audit reviews of the Better Care Fund and Public Health.</p> <p>Following a successful recruitment process we have recently appointed Revinder Hothi and Florentin Pojoranu to the position of Senior Auditor. Revinder previously worked within the team as an Auditor and Florentin had already been working as a Senior Auditor on secondment from Adult Social Care.</p> <p>We are sorry to say farewell to Dan Wilson, Senior Auditor who leaves at the end of March to take up a work opportunity outside the council. Dan has recently completed audits on Domestic Abuse and Direct Payments (Children's).</p> <p>Having successfully passed a number of examinations and completed an assignment, Reem Burton, Lead Auditor, is now confirmed as a Professionally Accredited Counter Fraud Specialist.</p> <p>Lyle Lumsden, IMT Auditor, has recently passed a Data Analytics exam and is now a Certified IDEA Data Analyst so can add CIDA to the growing list of designation abbreviations after his name.</p>

Further information

5

<p>Accounts and Audit Regulations 2015</p> <p>February 2015</p>	<p>The new regulations for English local authorities (including police and fire bodies) have been published. They come into force from 1 April 2015 for the accounting year 2015/16.</p> <p>The new regulations recognise the need to follow public sector internal audit standards and also remove the need for a separate review of the effectiveness of internal audit.</p> <p>The regulations make changes to the publication of the accounts and annual governance statement. These, together with a narrative statement on the use of resources should be published by 31 July. The audit opinion should also be published by this date or 'as soon as reasonably practicable'. This date applies from 2017/18 – until then the date remains as 30 September.</p>
<p>CfPS calls for action to address barriers to effective local scrutiny</p> <p>3 February 2015</p>	<p>The survey, albeit based on limited numbers, found that in a small but worrying minority of councils, local leaders and senior officers appeared to be seeking to control and limit the effectiveness of local overview and scrutiny inquiries. Findings included leaders choosing the chairs of scrutiny committees, requests for information being obstructed or refused by senior officers and leading members, and the role of the statutory scrutiny officer being low profile and misunderstood.</p>
<p>Pickles sends team of commissioners in to Rotherham after damning report</p> <p>4 February 2015</p>	<p>The intervention package would include an order under the Local Government Act 2000 to move Rotherham to holding all-out elections 2016 and every four years thereafter.</p> <p>In the immediate term the commissioners would take over the roles of the “current wholly dysfunctional cabinet” at Rotherham. They would initially exercise all the functions currently exercised by the cabinet, including responsibility for children’s and adult services.</p>
<p>Future of risk management: more strategy, communication and complex risks</p> <p>5 February 2015</p>	<p>Michel Dennery outlines the key factors set to change risk management in the future.</p>
<p>Pitfalls of the schools admissions appeals process highlighted in two LGO reports out this week</p> <p>5 February 2015</p>	<p>The Local Government Ombudsman (LGO) is highlighting examples of some of the errors that can be made by English schools admissions panels after finding problems with two different appeals processes in Hull and London.</p>
<p>New technologies: new fraud?</p> <p>6 February 2015</p>	<p>Technological innovations are facilitating greater interaction between businesses and customers, but fraudsters are exploiting the greater amount of data transactions.</p>
<p>Business continuity planning: Video reveals fire damage to 'decimated' South Oxfordshire offices</p> <p>6 February 2015</p>	<p>Council leaders today conceded there was 'still a long way to go' to restore the offices, after fires tore through the building three weeks ago.</p>

<p>‘Weak’ council scrutiny raises concerns</p> <p>9 February 2015</p>	<p>Over two-fifths of respondents to a survey on the effectiveness of local authority governance have warned that scrutiny committees are not doing enough to challenge the way that councils operate</p>
<p>Council stung by £170k fraud</p> <p>11 February 2015</p>	<p>It’s believed the scam involved changing a council contractor’s bank details so legitimate payments would be diverted to a different account. The cash was taken from the authority’s bank account but the missing funds have since been refunded by one of the banks involved in the transfer.</p>
<p>Councils' role in public health gives 'cause for optimism'</p> <p>12 February 2015</p>	<p>In a new report, published by the Royal Society for Public Health, 40% of public health teams said the transfer to local authorities was leading improvements in the sector; up from 15% in 2014.</p> <p>However, the audit also shows that some areas remain a cause for concern, with over half saying they were unable to feel positive about the integration of health and social care.</p>
<p>FRC publishes Audit Quality Inspection Reports on Grant Thornton UK LLP</p> <p>18 February 2015</p>	<p>This annual report includes the results of the quality reviews and issues raised. The audits sampled were from private sector clients but three out of eight audits reviewed required significant improvement.</p>
<p>Leader resigns after decision to vary £165m development scheme quashed</p> <p>18 February 2015</p>	<p>The Leader of Winchester City Council has resigned in the wake of a court ruling that the authority’s decision to adopt an updated scheme for a £165m city centre redevelopment without conducting a procurement exercise was unlawful.</p>
<p>MPs criticise ‘flawed’ planning for Better Care Fund</p> <p>26 February 2015</p>	<p>A report on the £5.3bn Better Care Fund from the Public Accounts Committee said that a failure to be clear with local areas over savings projections had ‘severely undermined’ initial planning for the scheme.</p>
<p>The role of prescribed persons</p> <p>27 February 2015</p>	<p>The National Audit Office has published a report on the role of prescribed persons in whistleblowing. One of the principle conclusions of the NAO investigation is that more needs to be done to reduce the gap between the actions of prescribed persons and whistleblowers’ expectations, whilst recognizing that it is unlikely that the gap will ever be fully closed.</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:

Cabinet	<p>At its meeting on 3 February 2015, the Cabinet considered the following reports:</p> <ul style="list-style-type: none"> • Confident in Surrey's Future: Corporate Strategy 2015-2020 • Revenue & Capital Budget 2015/16 to 2019/20 and Treasury Management Strategy • Finance and Budget Monitoring Report for December 2014 • Provision of Targeted Children and Mental Health Services and the HOPE Service: Section 75 Agreement with Surrey Clinical Commissioning Groups and Contract Extension with Surrey & Borders Partnership NHS Foundation Trust <p>At its meeting on 24 February 2015, the Cabinet considered the following reports:</p> <ul style="list-style-type: none"> • Surrey Better Care Fund Implementation – Section 75 Agreements with Clinical Commissioning Groups • Surrey County Council and East Sussex County Council Partnership • Finance and Budget Monitoring Report for January 2015 • Leadership Risk Register
Leader Decisions	<p>At his meeting on 14 January 2015, the Leader considered the following report:</p> <ul style="list-style-type: none"> • Counter Fraud Fund <p>At his meeting on 29 January 2015, the Leader considered the following report:</p> <ul style="list-style-type: none"> • Icelandic Bank Deposit – Glitnir Auction
Surrey Pension Fund Board	<p>At its meeting on 13 February 2015, the Surrey Pension Fund Board considered the following reports:</p> <ul style="list-style-type: none"> • Manager Issues and Investment Performance • Pension Fund Business Plan 2015/16 • Revised Statement of Investment Principles • Responsible Investment and Stewardship Policy • Corporate Governance Share Voting • Local Government Pension Scheme: Governance Regulations • Key Performance Indicators • Pension Fund Risk Register
Adult Social Care Select Committee	<p>At its meeting on 15 January 2015, the Adult Social Care Select Committee considered the following reports:</p> <ul style="list-style-type: none"> • Internal Audit Report – Review of Social Care Debt 2013/14
Children and Education Select Committee	<p>At its meeting on 26 January 2015, the Children and Education Select Committee considered the following report:</p> <ul style="list-style-type: none"> • School Governance Task Group
Council Overview & Scrutiny Committee	<p>At its meeting on 29 January 2015, the Council Overview and Scrutiny Committee considered the following reports:</p> <ul style="list-style-type: none"> • Agency Staff Audit Action Plan Update • Budget Monitoring Report <p>At its meeting on 4 March 2015, the Council Overview and Scrutiny Committee considered the following reports:</p> <ul style="list-style-type: none"> • New Models of Delivery Programme • Budget Monitoring Papers

Health Scrutiny Committee	<p>At its meeting on 8 January 2015, the Health Scrutiny Committee considered the following report:</p> <ul style="list-style-type: none"> • Follow up from CQC Inspection Quality Summit • Better Care Fund Locality Hubs
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Upcoming

The next meeting of the Audit & Governance Committee is on 9 April 2015. The following items are on the agenda:

- Member Dispensation
- External Audit – Audit Plan
- External Audit – Audit of SE Business Services Ltd
- Internal Audit Plan 2015/16
- Social Care Debt Audit – MAP: Progress Update
- Effectiveness Review of the System of Internal Audit
- Update: SEN Strategy and Residential Strategy
- Leadership Risk Register
- Completed Internal Audit Reports
- Whistle blowing Update
- Update on the Capital Programme

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