

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	2
3. Finance Update - Orbis	2
4. Further information	3
5. Updates from other committees	4
6. Upcoming	5
7. Committee Contact Details	5

Update from previous Audit & Governance Committee meetings

Adult Social Care: financial record keeping	<p>On 28 May 2015, Audit & Governance Committee considered the findings of the Social Care Debt – Credit Balances follow up audit report. The Chairman agreed to write to the Leader of the Council and relevant Cabinet Members recommending that the function of record keeping for accounts relating to individuals' care charges be moved from Adult Social Care to Business Services. The letter was circulated on 12 June 2015 and is attached for information.</p> 
Kier MG discounts	<p>At the last committee meeting, the Chief Internal Auditor agreed to find out if an investigation into whether an automated solution to recover discounts from Kier MG had been completed and circulate the answer. The following response has been provided:</p> <p>The final balance for 2014/15 has been agreed and will be settled in the July batch payment to Kier.</p> <p>With regards to the future settlement, it has not been possible to implement an automatic process due to the limitations of Maximo. However, a monthly process has been agreed for the verification of discounts and amounts will be deducted by Finance on a quarterly basis from the bill batch payment to ensure that balances do not become overdue.</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"> Community Partnered Libraries Street Works Permit Scheme Highways Savings Highways Schemes Schools Audits Nursery Education Babcock 4S School Support Contract Children's Improvement Plan HIV Service Foster Care Surrey Choices Contract Families Friends and Communities Strategic Adult Social Care Contracts Information Governance Pensions Administration <p>Please advise the Chief Internal Auditor (Sue.Lewry-Jones@surreycc.gov.uk) if you have concerns regarding any of the above areas of work which we may consider as part of our audit review.</p>
Staffing News	<p>A new agency member of staff, Tasneem Ali has joined the team. Tasneem is an experienced auditor, who has worked for us previously. She is currently working on audits of the HIV Service and Foster Care.</p>

Finance update



15 April 2015 marked the official start of an exciting partnership between East Sussex and Surrey County Councils to provide business support services to the public sector. The Partnership brings together two highly skilled professional workforces, combining the joint expertise of both authorities in Finance, Human Resources, IT, Property and Procurement, payroll and pensions services.

The new partnership, known as Orbis, is managed through a Joint Committee and it will enable even stronger, more agile services to be provided to the customers for both authorities. Orbis represents a partnership arrangement to share expertise and resources between councils; all contractual and legal relationships will remain with the respective local authority.

Delivering excellence for less by thinking differently is what drives the business support teams in East Sussex and Surrey County Councils. Our vision is for Orbis to be “a trusted partnership, delivering value to customers and residents through our expertise, innovation and passion.” As such, we intend to be the compelling alternative to other business service providers.

The first formal Joint Committee was held on 29th June where Members agreed the Terms of Reference and received an update on the development of the partnership to date. A link to the papers is given under Updates from other Committees.

Further information

5

<p>Health and Social Care Integration</p> <p>April 2015</p>	<p>A CIPFA briefing has been published which sets out the three conditions that will need to be met if the best is to be made of health and social care integration. The briefing also emphasises the importance of getting governance right from the start.</p>
<p>Study warns of life expectancy time bomb</p> <p>30 April 2015</p>	<p>People will live longer than official estimates suggest, leading to a future funding gap in health and social care provision, a new study is warning.</p>
<p>The strategic importance of risk managing the supply chain</p> <p>30 April 2015</p>	<p>The corporate risks posed by a potential supply chain failure are leading more risk managers to keep a close handle on their supplier relationships and they are finding, in some instances, that significant gains can be made in the process.</p>
<p>Section 151 officers could sue as DIP protections are scrapped</p> <p>1 May 2015</p>	<p>Councils could face breach of contract claims from Section 151 officers after last-minute government changes to the rules on dismissal from top posts, an employment lawyer has warned.</p>
<p>Norfolk County Council staff suspended over fraud</p> <p>2 May 2015</p>	<p>Nineteen children's services workers have been suspended for offences including fraud and breach of trust.</p>
<p>Claimant guilty of contempt of court over pothole accident compensation bid</p> <p>5 May 2015</p>	<p>A borough council has established contempt of court against a claimant who said he fallen off his moped as a result of a pothole in the road. Ed Dawson, Operational Director for Finance at Halton Borough Council, said: "The council has a zero tolerance approach to fraud."</p>
<p>Internal audit under pressure</p> <p>12 May 2015</p>	<p>Article by Andrew Chambers: 'One of the most challenging issues chief audit executives (CAEs) face probably isn't what you'd imagine. That's because it is one we seldom discuss: political pressure from our own executive management teams.'</p>
<p>Council recovers £100,000 lost to scam</p> <p>14 May 2015</p>	<p>A city council was almost scammed out of £100,000 earlier this year after paying out into the wrong bank account, it has been revealed.</p>
<p>Westminster closes accounts in record time</p> <p>27 May 2015</p>	<p>Westminster City Council has set a new record for approval of local authority accounts after they were signed-off on May 18 – one day quicker than traditional frontrunners Oldham. The authority has been confirmed as the quickest local government body to close its accounts for 70 years following approval of its audited 2014/15 report.</p>
<p>FRC provides aid to Audit Committees in evaluating audit quality</p> <p>29 May 2015</p>	<p>The Financial Reporting Council (FRC) has issued a practice aid to assist audit committees in evaluating audit quality in their assessment of the effectiveness of the external audit process. The UK Corporate Governance Code (for companies) requires the audit committee report should include an explanation as to how it has assessed the effectiveness of the external audit process.</p>

Council ordered to pay £80k+ over failure to tackle asbestos in town hall	<p>A London borough has been ordered to pay more than £80,000 in fines and costs after exposing staff and contractors to asbestos in the basement of its town hall.</p>
<p>1 June 2015</p>	
Borough proposes plan to allow voters to "kick out" bad councillors	<p>Kingston Council has unveiled plans to give voters the chance to remove their councillor if they fail to meet a set of defined standards. Under the Royal Borough's proposals, a number of scenarios could trigger a petition calling for a by-election.</p>
<p>2 June 2015</p>	
New local audit regime in England	<p>A briefing paper has been published by the House of Commons Library explaining the new procedures for audit of local authorities and related bodies brought in by the Local Audit and Accountability Act 2014.</p>
<p>24 June 2015</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 26 May 2015, the Cabinet considered the following reports:</p> <ul style="list-style-type: none"> • Approval to purchase additional Microsoft licences for Office 365 and associated implementation • Provision of a new system for Adult Social Care <p>At its meeting on 23 June 2015, the Cabinet considered the following reports:</p> <ul style="list-style-type: none"> • Annual Governance Statement 2014/15 • Finance and Budget Monitoring Report for May 2015
<p>Orbis Joint Committee</p>	<p>At its meeting on 29 June 2015, the Orbis Joint Committee considered the following reports:</p> <ul style="list-style-type: none"> • Joint Committee Terms of Reference • Initial Business Plan Update Report
<p>Surrey Pension Fund Board</p>	<p>At its meeting on 22 May 2015, the Surrey Pension Fund Board considered the following reports:</p> <ul style="list-style-type: none"> • Freedom and Choice • Employer Body Admission/Termination Advice • Manager Issues and Investment Performance • Pension Fund Business Plan 2014/15: Outturn Report • Revised Statement of Investment Principles • Governance Compliance Statement • Local Pension Board • Corporate Governance Share Voting • Key Performance Indicators • Multi Asset Credit • Private Equity Investment Performance Review • Portfolio Transition: LGIM to Majedie • Pension Fund Risk Register

Council Overview Board	<p>At its meeting on 3 June 2015, the Council Overview Board considered the following report:</p> <ul style="list-style-type: none"> • Appraisal Completion Update Report for Appraisals Completed in 2014/15 <p>At its meeting on 1 July 2015, the Council Overview Board considered the following report:</p> <ul style="list-style-type: none"> • Chief Executive's 6 month report • Budget Monitoring Report • Establishment of the Transformation Sub-Group
Economic Prosperity, Environment and Highways Board	<p>At its meeting on 11 June 2015, the Economic Prosperity, Environment and Highways Board considered the following reports:</p> <ul style="list-style-type: none"> • Internal Audit Review of Bus Operating Contracts
Social Care Services Board	<p>At its meeting on 25 June 2015, the Social Care Services Board considered the following reports:</p> <ul style="list-style-type: none"> • Ofsted Briefing and Update

Upcoming

The next meeting of the Audit & Governance Committee is on 27 July 2015. The following items are on the agenda:

- 2014/15 Surrey County Council Accounts and External Audit's Audit Findings Report
- Surrey Pension Fund Local Government Pension Scheme Accounts 2014/15 and External Audit's Audit Findings Report
- External Audit Fee Letter
- Annual Report of Surrey County Council
- Treasury Management Annual Report

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