

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.

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Update from previous Audit & Governance Committee meetings

Whistleblowing	Attached is a newly updated leaflet on whistleblowing for the information of the committee. The leaflet has some fresh information about ways to submit a report to Expolink and also has a new image on the front, in keeping with our Internal Communications branding.
Directorships of the council's companies	<p>In response to suggestions at Audit & Governance Committee that a finance officer be included as a director of SE Business Services Ltd (now Orbis), Corporate Finance has given the following response:</p> <p>“The Shareholder Board is responsible for ensuring oversight of the council's companies. Their responsibilities include matters in relation to the financial performance of each company together with other strategic issues such as business direction which is captured in the requirement for the board to approve the Annual Business Plan of the company. Sheila is an advisor to the Shareholder Board and therefore Finance are involved in the governance process for our companies. Furthermore, Sheila has and will continue to raise and discuss any financial issues of concern with the appropriate Directors of each company.</p> <p>The internal financial arrangements for each company is different as a result of their size however all Directors have the same responsibilities within Company Law for the financial management of a company.</p> <p>The finance team within the council provide all necessary financial support for S.E. Business Services Ltd (this ranges from basic accountancy support through to commercial and contract bid pricing, management accounts and statutory annual accounts) and attend the board meetings of the company on a regular basis.</p>

	<p>As a result of its size, the financial support for Surrey Choices Ltd is provided from within the company, and its Chief Financial Officer is a member of the senior management team of the company. The Shareholder Board have today appointed a further Director for the company following the resignation of Nick Wilson. Kevin Kilburn has been appointed to help strengthen the financial governance arrangements.</p> <p>We will continue to maintain over-sight of the arrangements to ensure that they are fit-for-purpose as each company grows and develops”.</p>												
<p>Provision of collection fund figures</p>	<p>At the last meeting of Audit & Governance Committee, the Chairman agreed to write to the Leader and Chief Executive, copying in the Audit Committee Chairman, of each of three borough and district councils named at committee, stressing the importance of meeting the deadlines on provision of collection fund figures. Letters dated 27 August have been posted.</p>												
<p>Annual report</p>	<p>On 27 July 2015, the committee agreed the Annual Report of the Council. The committee was informed that an updated page on the Corporate Environment Sustainability Headlines would be circulated when the figures were finalised. The updated page is below:</p> <p style="text-align: center;">Corporate Environment Sustainability Headlines</p> <div style="display: flex; justify-content: space-between;"> <div data-bbox="395 884 734 1008" style="width: 45%;"> <p>Green house gas emissions including CO₂ (tonnes CO₂ equivalent) Carbon emissions has increased by 2% from 62,538 in 2013-14 compared to 63,583 tonnes in 2014-15.</p> <p>The council's carbon emissions from its operations and estate excluding non-maintained schools increased by 2% in 2014/15 (63,583 tonnes) compared to 2013/14 (62,538 tonnes). This was despite a reduction in consumption of energy in buildings, vehicles and staff mileage. An exceptional increase in the carbon emissions per unit of electricity generated on the national grid was beyond our control, yet influenced our emissions.</p> </div> <div data-bbox="766 884 1260 1265" style="width: 50%; text-align: center;"> <p>CO₂ emissions</p> <table border="0"> <tr> <td style="text-align: center;">23,139 tonnes</td> <td style="text-align: center;">18,981 tonnes</td> <td style="text-align: center;">17,382 tonnes</td> <td style="text-align: center;">3,948 tonnes</td> </tr> <tr> <td style="text-align: center;"></td> <td style="text-align: center;"></td> <td style="text-align: center;"></td> <td style="text-align: center;"></td> </tr> <tr> <td>Electricity in buildings</td> <td>Gas and oil in buildings</td> <td>Street lighting</td> <td>Staff travel</td> </tr> </table> </div> </div>	23,139 tonnes	18,981 tonnes	17,382 tonnes	3,948 tonnes					Electricity in buildings	Gas and oil in buildings	Street lighting	Staff travel
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<p>Current Audits</p>	<p>The following audits are currently in progress or at the planning stage:</p> <ul style="list-style-type: none"> Schools Audits Deputyships (Adult Social Care) Children's Improvement Plan Transport for Education HIV Service Foster Care Surrey Choices Contract Families Friends and Communities Strategic Adult Social Care Contracts Training Course Cancellations HR Casework - Resolution and Suspension Costs <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>
<p>Counter Fraud Work</p>	<p><u>Surrey Counter Fraud Partnership</u> - SCC Internal Audit has been working with a number of borough and district partners to tackle public sector fraud across Surrey. The Surrey Counter Fraud Partnership was set up following a successful bid to the DCLG and aimed to deliver savings of £1.4m over 18 months through the detection and deterrence of fraud. The partnership, chaired by SCC and originally formed with 7 borough and district partners, has now grown to a multi agency partnership including an additional 2 borough councils, Surrey Police and Trading Standards.</p> <p>Founding partners have appointed investigators to tackle non-benefit fraud and work to date has focused on tackling social housing fraud and addressing business rates avoidance. To date savings of over £800k have been delivered in less than six months. The partnership is now looking to develop data analytics to further consolidate the resources and expertise at its disposal.</p> <p><u>Fraud Awareness Presentations</u> - The fraud awareness presentation developed by the Internal Audit team has now been presented to more than 680 members of staff in key teams including Child Protection; Financial Assessments and Benefits; Fostering and Adoption; and, Referral Assessment and Intervention Service.</p>
<p>Staffing News</p>	<p>A new member of staff, Claire Hancock has joined the team. Claire is an experienced auditor, who joins the council from London Borough of Richmond where she worked as part of the Shared Audit Service with Royal Borough of Kingston upon Thames.</p>

Further information

Committee on Standards in Public Life Annual Report 2014 – 2015 23 July 2015	<p>The Committee's annual report summarises the work of the committee including areas it has maintained a watching brief on throughout the year. The report includes observations about the current standards regime in local government.</p>
Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE) 24 July 2015	<p>The introduction of new responsibilities and the development of new collaborative structures and ways of working provide challenges for ensuring transparency, demonstrating accountability and, in particular, for managing risk. It is crucial therefore that leaders and chief executives keep their governance arrangements up to date and relevant.</p> <p>In response to these challenges, CIPFA and SOLACE are undertaking a fundamental review of the Framework: Delivering Good Governance in Local Government to ensure that it remains 'fit for purpose'. A consultation on the new draft Framework will be available on the CIPFA website until 28 September.</p>
The NAO's role in local audit July 2015	<p>The National Audit Office (NAO) has responsibilities within the framework for the audit of local public bodies. This leaflet provides information on their role, examples of recent value-for-money work focused on local services, 2015-16 work in progress and contact details.</p>
Threat Assessment: Public Finance Risk Management Round Table 19 August 2015	<p>Public Finance recently assembled a group of senior public finance professionals to discuss the risks they face in today's tough economic climate. The roundtable, staged in association with insurance broker Arthur J Gallagher (AJG), examined the consequences of funding reductions, service revision, outsourcing and digitisation – as well as ways to alleviate the attendant threats.</p>
Protecting the English Public Purse 2015	<p>The European Institute for Combating Corruption and Fraud has published a report on fighting fraud against English Councils. Surrey County Council's Internal Audit team contributed to the survey which informed this report.</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 29 July 2015, the Cabinet considered the following reports:</p> <ul style="list-style-type: none"> • Finance and Budget Monitoring Report for June 2015 • Refresh of 2015-20 Medium Term Financial Plan • Leadership Risk Register • Annual Report of the Shareholder Board
Surrey Pension Fund Committee	<p>At its meeting on 23 July 2015 the Surrey Pension Fund Committee considered the following reports:</p> <ul style="list-style-type: none"> • Chancellor's Budget: Update • Appointment Processes – Multi Asset Credit Managers
Surrey Local Pension Board	<p>Held its first meeting on 27 July 2015.</p>

Resident Experience Board	At its meeting on 21 July 2015 , the Resident Experience Board considered the following reports: <ul style="list-style-type: none"> • Regulation of Investigatory Powers Act 2000 (RIPA) 2014/15
Social Care Services Board	At its meeting on 9 July 2015 , the Social Care Services Board considered the following reports: <ul style="list-style-type: none"> • Deprivation of Liberty Safeguards (DOLS) • Adult Social Care Debt • Children’s Safeguarding Quality Assurance (QA) Process

Upcoming

The next meeting of the Audit & Governance Committee is on 28 September 2015. The following items are on the agenda:

- External Audit: Performance Outcome
- Leadership Risk Register
- Completed Internal Audit Reports
- Absence Management: MAP Progress
- Property Asset Management System: Update
- Council Complaints
- Statutory Responsibilities Network

Training on Treasury Management will begin at 2pm.

Committee Contacts

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