

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

Foster Carers	<p>On 28 September 2015, the Chief Internal Auditor agreed to find out the number of foster carers in Surrey and the process whereby the service liaises with foster carers and report back to committee. She has provided the following response:</p> <p>“The Chief Internal Auditor is advised that as at 30/10/2015 there were 359 foster carers.</p> <p>The council's arrangements for service liaison with foster carers include supervision visits every 6 weeks or as required; annual reviews; and, unannounced visits. From observation/discussions as part of Internal Audit fieldwork it is apparent that foster carers consult with the service on visits; overnight stays; arranging contact; missing incidents; and, any other issues that come up on a day to day basis. The supervising social workers are always available to support the foster carers”.</p>
Property Asset Management System (PAMS) – Member access to Property Information	<p>The Audit & Governance Committee asked the Property Performance Manager to look into whether the PAMS portal could give Members access to high level property information.</p> <p>Access to high level property information through the PAMS Portal could be developed in a similar way to the access available to schools. However, this is not standard functionality and would need to be a programmed piece of work requiring a detailed specification and business case.</p> <p>The type of information available would be property name, address, Service portfolio, electoral division, district/borough, tenure and locations displayed on a map.</p>

Additional information on works and other activities at properties would be requested from Property Services.

An alternative option has also been looked into which is access to the Government Property Unit's Electronic Property Information Mapping Service (EPIMS)

A number of public sector organisations across the UK, including Surrey CC, have added information to the EPIMS database as part of the government's Transparency Agenda. The EPIMS system holds high level information on approximately 650 Surrey CC operational properties, but will soon include non-operational properties and land over half a hectare in size.

Further information on EPIMS can be found through the following link: [EPIMS](#)

In both options above, a piece of work would be required to ascertain Members detailed requirements.

Sickness Absence

On 28 September, the Audit & Governance Committee requested data on single days of sickness absence. The table below shows the data from 8 October 2014 to 8 October 2015:

	= 1 Day Absence
Sickness Reasons	<u>Days</u>
Await Mgr Recording	103
Back	101
Blood	17
Chest	108
Digestive	742
Disability related	3
Ear, Nose, Throat	295
EE Decline Reason	39
Eyes	67
Flu/Cold	696
Gynaecological	76
Heart	13
Industrial Injury	3
Joints	125
Kidneys or Urinary	54
Nervous System	297
Not assigned	3
Pandemic	3
Pregnancy related	15
Skin	43
Stress	43
TOTAL	2846

Internal Audit update

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Current Audits	<p>The following audits are currently in progress or at the planning stage:</p> <ul style="list-style-type: none"> Member Allocations General Ledger Treasury Management Public Health Payments to GPs and Pharmacies Public Health Contracts IT Feeder Systems Schools Audits Foster Care Families Friends and Communities Adult Social Care Strategic Contracts Training Course Cancellations <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>
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Further information

<p>Ten lessons from a cyber-attack response exercise</p> <p>24 August 2015</p>	<p>Business continuity consultant, Charlie Maclean-Bristol FBCI, recently conducted a response exercise using cyber-attack as the scenario. In this article he captures ten lessons learnt from conducting the exercise.</p>
<p>Managing supplier compliance risks: the way forward</p> <p>3 September 2015</p>	<p>As organisations are placed under increasing scrutiny for the actions of their suppliers they can no longer shy away from the importance of building a stronger supplier compliance management programme.</p>
<p>Devo Why? Devo How?</p> <p>September 2015</p>	<p>This paper challenges local authorities to think about key governance issues as part of their devolution deals. It argues that authorities need to think about why and how devolution will help solve the challenges they face, the need for transparent and accountable governance structures and a need to capture the views of local people in discussions on governance.</p>
<p>Simplified accounts: Small isn't always beautiful</p> <p>28 September 2015</p>	<p>Cut out the clutter, but don't expect half a dozen pages to give a true and fair view of local authority finances says this Public Finance article.</p>
<p>Outsourcing and the role of Internal Audit</p> <p>September 2015</p>	<p>This report outlines a number of approaches in the private and public sectors to managing the risks associated with supplier relationships, including the practices of internal audit functions. It includes some case studies of the approach towards auditing contracts taken by the BBC, EDF Energy, Crossrail, Ministry of Justice and the Home Office.</p>
<p>Crime figures: 'Five million' fraud cases in past year</p> <p>15 October 2015</p>	<p>There were more than five million incidents of fraud in England and Wales in the last year, estimates suggest. The Office for National Statistics (ONS) has published an estimate of fraud for the first time, based on its Crime Survey. There were also 2.5 million cybercrime offences, such as computer hacking, the ONS estimated.</p>

Local audit contracts for local authorities and police extended for one year October 2015	DCLG has decided to extend the audit contracts for one year only. This means that from the financial year 2018/19 the appointment process under the Local Audit and Accountability Act 2014 will be operational. Under the legislation appointments must be in place before the start of the financial year to which they relate – so in practice the procurement must be completed by December 2017. Further guidance will be available from CIPFA as DCLG commissioned guidance on the establishment of auditor panels.
Council leader at Guildford resigns over governance changes 19 October 2015	Councillors at Guildford approved a recommendation for the introduction of two executive advisory boards. The new arrangements have been designed with a view to making all councillors feel involved in part of the process of running the council.
Government lacks ambition to tackle benefits and tax credit fraud and error, says PAC 28 October 2015	Failures in tackling fraud and error in the benefits and tax credit systems remain prevalent, with combined underpayments and overpayments in excess of £47bn in 2013/14, the Public Accounts Committee has found.
Better Care Fund confirmed until 2017 28 October 2015	The Better Care Fund (BCF) was created by the last government to help local authorities and NHS trusts integrate health and social care, but there had been uncertainty over whether it would continue. However, it has been reported that local areas may be able to decide whether their current BCF schemes should be continued, adapted or discontinued into 2016/17.
Whitehall paid millions to Kids Company despite governance concerns, NAO finds 29 October 2015	Bankrupt charity Kids Company received at least £46m in public funding over the last 15 years despite evidence that officials raised concerns about its financial management and sustainability as far back as 2002, the National Audit Office has revealed.

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 22 September 2015, the Cabinet considered the following reports:</p> <ul style="list-style-type: none"> • Finance and Budget Monitoring Report for July and August 2015 • Highways Cold Weather Plan for 2015/16 • Award of Contract for Managed Service for Temporary Agency Resources <p>At its meeting on 27 October 2015, the Cabinet considered the following reports:</p> <ul style="list-style-type: none"> • Finance and Budget Monitoring Report for September 2015 • Revision of Procurement Standing Orders • Leadership Risk Register • Orbis Initial Business Plan
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Cabinet Member for Business Services and Resident Experience Decisions	At her meeting on 13 October 2015 , the Cabinet Member for Business Services and Resident Experience made a decision on SAP Support and Maintenance.
Orbis Joint Committee	At its meeting on 28 September 2015 , the Orbis Joint Committee considered the Orbis Business Plan.
Council Overview Board	At its meeting on 10 September 2015 , the Council Overview Board considered the Arrangements for Joint Scrutiny of Orbis. At its meeting on 1 October 2015 , the Council Overview Board considered the following reports: <ul style="list-style-type: none"> • Annual Report of the Shareholder Board • Orbis Business Plan • Budget Monitoring: August 2015
Health & Wellbeing Board	At its meeting on 10 September 2015 , the Health & Wellbeing Board considered the outcome of an Internal Audit Report into itself.
Surrey Pension Fund Committee	At its meeting on 18 September 2015 , the Surrey Pension Fund Committee considered the following reports: <ul style="list-style-type: none"> • Chancellor's Budget: Update • Local Pension Board • Unitisation of Assets • Manager Issues and Investment Performance • Key Performance Indicators and Administration Update • Surrey Pension Fund Accounts 2014/15 • Revised Statement of Investment Principles • Pension Fund Risk Register • Corporate Governance Share Voting • Private Equity Investment Performance Review • Pension Fund Cost Base: Deep Dive Review
Surrey Local Pension Board	At its meeting on 12 October 2015 , the Surrey Local Pension Board considered the following reports: <ul style="list-style-type: none"> • Surrey Pension Fund Statement of Accounts 2014-15 • Surrey Pension Fund Annual Report • Chartered Institute of Public Finance and Accountancy Pension Fund Administration Benchmarking Club Draft Report • Internal Audit Report: Review of Pension Administration
Surrey Local Firefighters' Pension Board	Held its first meeting on 16 October 2015 .
Economic Prosperity, Environment & Highways Board	At its meeting on 21 October 2015 , the Economic Prosperity, Environment & Highways Board considered the following report: <ul style="list-style-type: none"> • Internal Audit Report on the Review of Waste Management and Minimisation
Education and Skills Board	At its meeting on 22 October 2015 , the Education & Skills Board considered the following reports: <ul style="list-style-type: none"> • Special Educational Needs and Disabilities • Internal Audit – Henrietta Parker Trust Funds

Upcoming

The next meeting of the Audit & Governance Committee is on 7 December 2015. The following items are on the agenda:

- Babcock 4S Limited – Director’s Report and Financial Statements for the Year Ended March 2015
- Leadership Risk Register
- External Audit: Update
- External Audit: Proposed 2015/16 KPIs
- External Audit: 2014/15 Audit Findings Report for SE Business Services
- Operation Horizon follow up
- Treasury Management Half Year Report 2015/16
- Internal Audit Half-Year Report
- Half-Year Irregularities Report
- Completed Internal Audit Reports
- Ethical Standards – Annual Review
- Risk Management Half-Year Report
- Governance Update Report

Training on Risk Culture will begin at 2pm.

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