

Audit & Governance Committee Recommendations Tracking

Recommendations (REFERRALS)

| Number | Meeting Date | Item | Recommendation / Referral | To | Response |
|--------|--------------|--|--|------------------------------------|---|
| R3/11 | 05/10/11 | (75/11) | That the audit report 'accounts receivable' be referred to the Adult Social Care Select Committee for scrutiny (with a particular focus on the finding that debts had arisen as a result of recipients of direct payments within ASC, using the money for purposes other than to meet their care needs and improvements in the dunning process). | Adult Social Care Select Committee | <p>An audit of Social Care debt was included in the 'Completed Audit reports' item on the agenda (5 April 2012) and an audit of Direct Payments is included on the 'Completed Audit Reports Item' on the 21 May 2012 agenda.</p> <p>An update on Social Care Debt was considered by the Adult Social Care Select Committee at their meetings on 4 July and 30 November 2012. The Audit & Governance Committee will continue to be kept updated on the outcome of the Adult Social Care Committee's debate through the Bulletin.</p> |
| R1/12 | 21/05/12 | (36/12) Annual Governance Statement | That the Annual Governance Statement be COMMENDED to Cabinet for publication with the council's statement of accounts. | Cabinet | The Annual Governance Statement was presented to the Cabinet on 19 June 2012. The Cabinet approved the content and authorised the Leader and Chief Executive to sign for inclusion in the Statement of Accounts. The Committee will continue to monitor progress on the implementations of the actions required and report to Cabinet where appropriate. |

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| R3/12 | 21/05/12 | (38/12) Completed Internal Audit Reports | <p>The Committee recommends that the Adult Social Care Select Committee:</p> <p>Review the Direct Payments audit report and monitor the situation until the policy commitment for annual reviews of the social care needs of the recipients of direct payments is met.</p> | Adult Social Care Select Committee | <p>An officer working group reported to the Adult Social Care Select Committee on 30 November 2012. The Assistant Director for Transformation reported to the Committee that the intention was that the review process would be embedded within the Locality Teams in the future, rather than responsibility of a dedicated team. There would be a review of the Direct Payment Review team in March 2013.</p> <p>A Member Reference Group of the Adult Social Care Select Committee has also been set up to review whether AIS meets the needs of the directorate. The outcome of this review is due to be reported in May 2013.</p> |

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Recommendations (ACTIONS)

| Number | Meeting Date | Item | Recommendation / Action | Action by whom | Action update |
|--------|--------------|-------------------------------------|--|--|---|
| A9/12 | 07/04/12 | Recommendations tracker (17/12) | It was noted that Babcock 4S were known to have large cash balances, but taking out dividends was restricted by pension liability. It was agreed that options would be explored outside of the meeting | Section 151 Officer | <p>Babcock 4S attended the Committee in December 2012.</p> <p>The Finance Director (Babcock 4S) provided the following update: Based on the quarter three company accounts, with a revised valuation of the pension fund deficit, there was a sufficient balance on the company's profit and loss account to make a dividend payment of £1,865,000. This has been approved by the company board and the council has received its 30% of this, which is £559,500 on 7 February 2013.</p> |
| A14/12 | 07/04/12 | Internal Audit Plan 2012/13 (19/12) | Consideration to be given to the wider distribution of internal audit reports. | Chief Internal Auditor/Chairman of the Committee | <p>At the meeting on 21 May, most Members agreed with the recommendation that audit reports would be published on the S-Net for use by Members.</p> <p>Democratic Services have procured a new committee management system. Work has started to upload all internal audit reports dating back to 21 May 2012 to the S-Net. In the future, all internal audit reports will be stored on this intranet library feature for easy access by Members.</p> <p>A link will be sent to all Members to notify them when the library is live.</p> |

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| A17/12 | 07/04/12 | Completed Internal Audit Reports (21/12) | Traffic Signal Management audit report: Data to be reported to the Committee regarding the level of collection rates. | Audit Performance Manager | An update was annexed to this tracker with the agenda papers for 21 May 2012. Members were concerned that recovery rates were still low and commented on the fact that action had only been taken on 50 cases out of the 71 recorded. It has subsequently been confirmed that the remaining 21 cases are those being actively pursued with companies, insurance companies and individuals. |
| A20/12 | 21/05/12 | Recommendations tracker (31/12) | With regards to low recovery rates in cases of damage to county property, the Chairman to write to the Portfolio Holder and ask for his comments on the matter and seek assurance that relevant action was being taken to improve collection rates for damage to county property. | Chairman of the Committee | <p>Following the response to action A17/12 (above), the Chairman determined that it was no longer necessary to write to the Portfolio holder on damage to traffic signals.</p> <p>However, the Chairman has requested further information about other damage to county property.</p> <p>At the Cabinet meeting on 5 February, a report was presented on the introduction of a traffic permit scheme and a review of the coordination of utility company road works. The permit schemes will make the recovery of money easier as it will set clear timescales for the completion of works, which will better support the Council in recovery of monies. The Utilities Task Group specifically stated that when works carried out in conservation areas and damage is done to road surfaces, these companies will be encouraged to replace materials like for like to limit damage to the highway surface.</p> |

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| A33/12 | 25/06/12 | Completed Internal Audit reports (51/12) | An update to be provided on the recommendations made in the Highways Contract audit report. | Projects & Contracts Group Manager (Surrey Highways) | A follow up audit will commence at the end of February, with an audit report circulated in April 2013. |
| A34/12 | 26/05/12 | Completed Internal Audit reports (51/12) | The findings of the work being carried out by the Council Overview & Scrutiny Committee relating to mapping vacancies across the organisation be reported back to the Committee. | Committee Manager | <p>The findings were presented to the Council Overview & Scrutiny Committee in December 2012. The Committee agreed that further consideration needed to be given to the wording of the recommendations arising from the review, and therefore resolved to receive a further at their next meeting. At their meeting in February 2013, the Committee agreed the following recommendations:</p> <ol style="list-style-type: none"> a. That a policy is formulated to define what constitutes a vacant position the organization structure. b. That criteria are established which vacant positions must meet in order to remain in the organization structure together with the operating budget allowance. c. That the definition and criteria be consistently applied in all services in the management of their business plans. |
| A36/12 | 25/06/12 | Future of External Audit (54/12) | When the new external auditors are in place, the Committee to challenge how the estimated 40% savings will and have been met. | Committee Members | The new external auditor's attended the meeting in December 2012. The new District Auditor was confident that the 40% savings could be met, based on the quality of the previous year's accounts. |

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| A38/12 | 3/09/12 | 2011/12 Surrey County Council accounts and external audit annual governance report (63/12) | Updates throughout the year to be provided on the work being undertaken to identify the extent of overstatement identified in the external auditor's Annual Governance Report. | Financial Reporting Manager | An update will be provided at the 21 February meeting. |
| A42/12 | 03/10/12 | Leadership Risk Register (73/12) | An update to be provided on whether the Waste Contract risk was still 'high'. | Section 151 Officer | At the meeting in December 2012 the Section 151 Officer advised that she had spoken to the Strategic Director for Environment & Transport and could confirm that the risk should remain 'high'. This was because of the significant implications should the contract fail in anyway – however, it was stressed that there was no indication that the contract would fail. |
| A43/12 | 03/10/12 | Funding Strategy Update Report (74/12) | Update to be provided on the impact of the Strategic Director for Customers & Communities working part-time with Mole Valley District Council, on the rest of CLT. | Section 151 Officer | At the meeting in December 2012, the Section 151 Officer assured the Committee that she still had as much access to all of the strategic directors and that the Strategic Director for Customers & Communities had been present at all CLT meetings, since taking on the additional responsibilities at Mole Valley District Council. |
| A44/12 | 03/10/12 | Funding Strategy Update Report (74/12) | Funding Strategy task group to report findings to the Committee in due course. | Chairman | A joint meeting of the task group and the Council Overview & Scrutiny Committee Finance Sub Group was held in December 2012. Audit & Governance Committee also joined Council Overview & Scrutiny Committee at their formal meeting on 1 February 2013, to consider the Treasury Management Strategy. |
| A45/12 | 03/10/12 | Financial Management PVR Update (75/12) | Officers to consider whether early close of schools accounts would help overcome the barrier of schools not using SAP | Deputy Chief Finance Officer | At the meeting in December 2012, the Finance Manager (Assets & Accounting) advised that a mini project on schools accounts closing was underway. An update to be provided at the meeting on 21 February. |

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| A46/12 | 03/10/12 | Completed Internal Audit Reports (77/12) | An update to be provided on the actions coming out of the ICS audit report, to include: <ul style="list-style-type: none"> • The views of Children's Services in terms of how serious situation was • Detail of how much information had been transferred incorrectly from the old SWIFT system to the new ICS System | Compliance Auditor | An update was circulated on 3 January 2013. |
| A47/12 | 03/10/12 | Completed Internal Audit Reports (77/12) | Members to raise their concern about the Telecare audit at the next Council Overview & Scrutiny Committee | Chairman of the Council Overview & Scrutiny Committee | Members of the Committee who also sat on the Council Overview & Scrutiny Committee explained that the projected savings of the Telecare project had reduced from £1m to £200k – however, matters were progressing. |

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| A48/12 | 03/10/12 | Completed Internal Audit Reports (77/12) | Chief Internal Auditor to report back regarding the control and cost issues identified in the Waste Contract Management report | Chief Internal Auditor | <p>An update was circulated by email on 13 December 2012.</p> <p>The auditor advised that:</p> <ol style="list-style-type: none"> 1. The Environment & Infrastructure directorate was being re-structured in 2011/12 (Nov '10 - March '11) and a Finance Manager responsible for verifying recycling credits, was seconded to oversee this change. 2. Information on any items recycled by SITA as part of the contract is provided by SITA monthly. 3. The districts and boroughs (D&B) have their own waste collection contracts and recycling arrangements which is not part of the SITA contract. They provide the recycling credit figures to SCC who undertake a sample test to verify these before finally agreeing the recycling credits to be granted to D&Bs. It is this check which slipped in 2011/12 due to resource constraints but was put back on track in early 2012/13 after the new structure was in place and as part of finalising and completing year-end accounts. |
| A49/12 | 03/10/12 | Completed Internal Audit Reports (77/12) | Chairman to write to the Leader of the Council to stress that select committee chairmen take audit reports more seriously when considering their work programmes | Chairman | <p>The Chairman has raised concerns with the Leader of the Council.</p> <p>It has been agreed that where the Audit & Governance Committee feel matters need to be considered more seriously, they will make a direct recommendation to the relevant select committee.</p> |

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| A51/12 | 03/10/12 | Fighting Fraud Locally (78/12) | Feedback to be provided following discussions with HR about changes to recruitment vetting procedures | Chief Internal Auditor | At the meeting in December 2012 the Chief Internal Auditor explained that here team were working closely with HR on vetting procedures. In addition, the Better Governance Forum had recently issued a publication on recruitment practices, which had been shared with HR, so that they could look at best practice related to fighting fraud locally. |
| A53/12 | 06/12/12 | Recommendations tracker | Letter from Chairman to select committee chairmen about importance of internal audit reports | Chairman of the Committee. | The Chairman has discussed with the Chairman of the Council Overview & Scrutiny Committee. A draft paper on select committee review of audit reports has been circulated for Member comment before being shared with select committee chairmen. |
| A54/12 | 06/12/12 | Whistleblowing update (92/12) | Babcock 4S representative to attend the meeting when the next 6 monthly whistleblowing report is presented. | Deputy Head of HR&OD | This is scheduled for June 2013. |
| A55/12 | 06/12/12 | Completed Internal Audit Reports (95/12) | Further update to be provided on the recommendation that finance staff continue to develop reports for budget holders to analyse all additional payroll costs. | Chief Internal Auditor | Implementation of the Finance Dashboard will enable these to be developed |
| A56/12 | 06/12/12 | Risk Management Half year report (96/12) | Risk & Governance Manager to circulate one page summary of directorate risk registers | Risk & Governance Manager | The summary was circulated to Committee Members on 19 December 2012. |
| A57/12 | 06/12/12 | Risk Management Half year report (96/12) | The Assistant Chief Executive to attend a future meeting of the Committee to talk about risk management arrangements. | Risk & Governance Manager/Assistant Chief Executive | The Assistant Chief Executive will be invited to attend the meeting in May, when the Risk & Governance Manager presents her annual report. |

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| A58/12 | 06/12/12 | Risk Management Half year report (96/12) | The Chairman to write to the Cabinet Member for Environment & Transport to raise his concern about the outstanding Strategic Director risk register. | Chairman of the Committee | A response was received from the Cabinet Member which read: <i>Work has been underway since November to review and revise the 3 Service Risk Registers within the directorate. Once these are completed a revised Directorate Risk Register will be compiled. This is due to be agreed early this month. The new Directorate Risk Register will be reviewed at Directorate Management Team, Directorate Leadership Team and by myself (with DMT) on a quarterly basis.</i> |
| A59/12 | 06/12/12 | Energy Purchasing Contract (99/12) | The Committee to urge the Leader to write to the Council involved to offer support to amending the terms of reference of the governance panel. | Chairman of the Committee | This action has been completed. |
| A1/13 | 12/02/13 | Business Planning 2013 – 2018 (4/13) | A joint report to Audit & Governance and Council Overview & Scrutiny Committees on the subject of borrowing trigger points will be submitted to a future meeting | Chairman of the Committee. | An update to be provided at a future meeting. |

Audit & Governance Committee Recommendations Tracking

Completed Recommendations/Referrals/Actions

Recommendations – to be deleted

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| A58/11 | 08/12/11 | External Audit 2010/11 Annual Audit Letter (87/11) | A note to be circulated to provide Members with an update on the enhanced payments issue that they had previously been briefed on. | Pensions Manager | The matter was concluded in December 2012. |
| R4/12 | 03/10/12 | (80/12) Process for granting dispensation | The Committee Recommend to County Council that the agreed process be included in the Constitution under Section 6 – Codes and Protocols. | County Council | The Constitutional changes were agreed at the meeting of County Council on 16 October 2012. |
| R5/12 | 03/10/12 | (79/12) Annual Report of the Audit & Governance Committee | The report be COMMENDED to County Council | County Council | The report was noted by County Council at its meeting on 16 October 2012. |
| A6/12 | 09/02/12 | Whistleblowing update (11/12) | Committee to be advised when SCC website is updated to make it more 'user friendly' for public reporting issues. | Equality & Diversity Manager | The Comments, Compliments and Complaints pages have been updated to include interactive forms for feedback. The pages also link to the Council's Strategy Against Fraud and Corruption and include quarterly digests about what Surrey customers are feeding back. |
| A22/12 | 21/05/12 | External Audit: 2011/12 Audit Plan Surrey Pension Fund (32/12) | An update around internal controls at Custodian and Fund Managers to be included in a future Pension Fund Investments report. | Section 151 Officer/Senior Accountant. | This will be included in a Pension Fund Investments report on a six monthly basis. |

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| A23/12 | 21/05/12 | Risk Management Annual Report (33/12) | The Chairman of the Council Overview & Scrutiny Committee to ask the Chairman of the Adult Social Care Select Committee to consider reviewing the Strategic Director for Adult Social Care Risk Register. | Chairman of the Council Overview & Scrutiny Committee | This matter has been raised with the Chairman of the Adult Social Care Select Committee. It was agreed that the Committee should not review the full register as an agenda item; however, the register was drawn to the Chairman's attention. Any matters arising from the register will be reviewed as appropriate by the committee moving forward. |
| A37/12 | 3/09/12 | 2011/12 Surrey County Council accounts and external audit annual governance report (63/12) | A report be provided for Committee about the Council's register of assets held. | Performance Manager (EPM) | The EPM Performance Manager is working on a report to be circulated to Committee Members. It has been agreed that the report will be circulated before the end of October. A report was circulated to Members on 19 November by email. |
| A39/12 | 3/09/12 | 2011/12 Surrey County Council accounts and external audit annual governance report (63/12) | Recommended that Environment & Transport Select Committee should be considering the outcome of the MAXIMO internal audit report | Projects & Contracts Group Manager (Surrey Highways) | Regular contract management updates are presented to the select committee. The next scheduled update is in January 2013. An update was provided in November 2012. |
| A40/12 | 3/09/12 | Completed Internal Audit Reports (65/12) | The Committee to monitor the actions coming out of the Health & Safety Compliance Management Action Plan | Chief Internal Auditor | An update was provided in the Internal Audit half year report in December 2012. |
| A41/12 | 03/10/12 | Leadership Risk Register (73/12) | A trip to be organised to the data centre. | Regulatory Committee Manager | A visit took place on 14 November 2012. |

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| A50/12 | 03/10/12 | Completed Internal Audit Reports (77/12) | Data to be collected about where audit reports had been looked at by select committees | Regulatory Committee Manager | A question was put to Council by Stephen Cooksey at the meeting on 16 October 2012 and an update was provided in the Internal Audit Half Year report at the December Committee. |
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