

Completed Audit Reports (January 2013 – March 2013)

Annex A

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Members' Disclosures and Declarations	<p>The External Audit Annual Governance Statement for 2011/12 was presented to A&G Committee on 3rd September 2012. This included the following recommendation:</p> <ul style="list-style-type: none"> ensure all members' and officers' annual declarations are assessed for reasonableness and completeness against officers' expectations <p>The Chief Finance Officer requested that Internal Audit undertake a follow-up audit of the members' registration of interests</p>	<p>Surrey County Council members are required to publically disclose information under two systems. One is under legislation pertaining to "The Relevant Authorities (Disclosable Pecuniary Interests) Regulation 2012". The second system is under International Accounting Standard (IAS 24), which the council is required to comply with. Members complete a paper form of any related-party disclosures on an annual basis. Both systems rely on members providing relevant, accurate and up to date information.</p> <p>The internal process managed by the officers provided assurances there was a process for the members to complete their disclosures and declarations, although there were no formal checks made to validate member's declarations.</p>	Effective	Introduce a method of sampling members related party disclosure submissions for accuracy and completeness. (M)
Network Controls	This review looked at the project and specification model for the new Wide Area Network to be provided through British Telecom from 1 April 2013	The project demonstrates significant alignment with central government's strategic plan for increasing partnership working for the procurement of information infrastructure.	Effective	None

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Financial Assessments and Charging	<p>Adults Social Care (ASC) is currently transferring financial assessments from the ABACUS system to the SWIFT system. There are approximately 5,000 clients billed through SAP every month for annual contributions to their social care of £38.5m. The majority of service users are billed in relation to a residential service.</p>	<p>The migration to assessment in SWIFT has been slower than initially hoped. Over 90% of residential service users now have a current assessment on SWIFT but there has been a delay in transferring the service users with non-residential care. The target for the completion of the migration to SWIFT is 31 March 2013, although it is likely this will overrun. There is a programme to transfer the remaining service users in tranches but it relies on the capacity of the ASC teams.</p> <p>A key area of the migration has been to ensure data quality in terms of correct assessments, and so frequent comparisons were made to compare the before and after migration effect on charges raised to ensure all were billed correctly, thus offsetting the delay in the ability to record the check in SWIFT.</p> <p>The audit found that one area team has not been completing the required 5% management check of all financial assessments.</p>	Some Improvement Needed	<p>It is recommended that the resourcing of the migration programme is reviewed to ensure it meets management requirements. (M)</p> <p>Management should ensure the 5% sample checks are undertaken for all assessments in line with agreed procedures. (H)</p>

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<p>Corporate Governance Policies – Control Risk Self Assessment</p>	<p>SCC's Code of Corporate Governance describes the methodology for the annual review of governance. The Code refers to a list of 31 policies that are of key importance to ensuring good governance. Using a cyclical programme of Control Risk Self Assessment Questionnaires (CRSA), the extent to which SCC management are aware of the contents of specific policies is assessed each year. This year the CRSA exercise covered the following policies:</p> <ul style="list-style-type: none"> • Disciplinary Policy • Grievance Policy • Ending bullying and harassment • Whistle blowing • Change Management • Scheme of Delegation 	<p>Some elements of the disciplinary policy and particularly the details of the appeals process do not appear to be fully understood by a significant number of managers.</p> <p>There are low numbers of formal cases of bullying and harassment, but other measures of the issue (surveys etc), indicate a wider potential concern. Some behaviours are not universally accepted as being examples of bullying and harassment, which may lead to poor behaviour in the workplace.</p> <p>Some services may be holding vacant posts as a means of protecting the workforce from the potential risk of redundancy in the future.</p>	<p>Some Improvement Needed</p>	<p>The next review of the Disciplinary Policy should consider the specific points raised by the Auditor that may benefit from further clarification, and also respondents' desire to see a policy that is easier to read, supported by case studies, training and FAQs. (M)</p> <p>HR should raise the level of management understanding of the Disciplinary Policy in specific areas (M)</p> <p>The next review of the Bullying Harassment and Discrimination policy and guidance to provide clearer illustrative guidelines to staff on unacceptable behaviour, supported by innovative and concise ways to explain unacceptable behaviours to staff e.g. posters, video clips on SNET. (M)</p> <p>Strengthen SCC's Whistle Blowing Policy to reflect the British Standards Institute provisions. (M)</p> <p>HR to clarify in the next update of the Change Management policy, the best way to treat vacant posts to minimise redundancies, particularly where there is no immediate plan to recruit to these posts. (M)</p>

¹ **Audit Opinions**

Effective	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Some Improvement Needed	A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Major Improvement Needed	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
Unsatisfactory	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

² **Audit Recommendations**

- Priority High (H)** - major control weakness requiring immediate implementation of recommendation
- Priority Medium (M)** - existing procedures have a negative impact on internal control or the efficient use of resources
- Priority Low (L)** - recommendation represents good practice but its implementation is not fundamental to internal control