

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
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. At the meeting in February 2013, the Committee agreed to invite the accountable officer to the next meeting.</p>
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.
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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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)	A six-month review of the May Gurney contract was considered by the Environment & Transport Select Committee in February 2013. Members were satisfied with the performance figures and supported proposals to improve the highways maintenance programme. A twelve-month review will be considered by the Select Committee in June 2013.

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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. A further update was provided at the meeting in February. Detail of the response can be found in the minutes of the meeting on 21 February 2013.
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. It was agreed at the meeting on 21 February 2013, that the Chairman would write to the select committee chairmen to advise them on the process of handling Internal Audit reports at select committees.
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
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 June, 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	<p>A response was received from the Cabinet Member which read:</p> <p><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></p> <p>At the meeting on 21 February 2013, the Risk & Governance Manager confirmed that she had not yet received the updated risk register. The Chairman agreed to write to the Portfolio Holder again.</p>
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	A letter has been sent from the Leader of the Council to the Leader of the local authority in question, to make the recommendations.
A1/13	12/02/13	Business Planning 2013 – 2018 (4/13)	The recommendations from the 5 February Council Overview & Scrutiny Committee to the Cabinet include follow up action by the Committee (see Annex A)	Chairman of the Committee.	The details of these recommendations will be added to the Committee's forward work programme.

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A2/13	21/02/13	External Audit Progress Report (12/13)	Members asked the external auditor how reserves should be shown on the balance sheet. The Engagement Lead (Grant Thornton) explained that for long term planning decisions the holding of reserves was beneficial. He agreed to include consideration of this in the interim work undertaken by the external auditor before the final findings were reported	Engagement Lead (Grant Thornton)	Updates to be provided through the external auditor's progress reports
A3/13	21/02/13	PAMS (13/13)	The Committee to receive a further update and demonstration of the system once it is implemented	Chief Property Officer/Performance Manager	Progress check in June 2013.
A4/13	21/02/13	Completed Internal Audit Reports (14/13)	Committee recommend to Head of Corporate Purchasing that where managers are failing to follow Purchasing Card guidelines, consideration be given to removing cards from use in that department.	Head of Procurement & Commissioning	The Procurement & Commissioning Manager has replied that new guidelines re clear that where there are repeated failures to follow guidelines, then the user's card is withdrawn. Monitoring is in place to ensure this happens.
A5/13	21/02/13	Public Sector Internal Audit Standards (15/13)	It was agreed that the terms of reference for the Committee would need to be changed to reflect the adoption of the new standards	Chairman	The Chairman to discuss with the Monitoring Officer.

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Completed Recommendations/Referrals/Actions

Recommendations – to be deleted

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 and all Internal Audit reports published since 21 May 2012 are now available on the S-Net. A link was included in the Chief Internal Auditor's regular email to all Members to notify them of reports considered at each Audit & Governance Committee.</p>

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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> <ul 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.
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.	Deputy Chief Finance Officer	An update was provided at the meeting. Detail of the response can be found in the minutes of the meeting on 21 February 2013.
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.

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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.
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.
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.