

**MINUTES** of the meeting of the **AUDIT & GOVERNANCE COMMITTEE** held at 10.00 am on 11 April 2016 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its next meeting.

**Elected Members:**

Mr Stuart Selleck (Chairman)  
Mr Denis Fuller (Vice-Chairman)  
Mr W D Barker OBE  
Mr Tim Hall  
Mr Saj Hussain

**Apologies:**

Mr Will Forster

**In Attendance**

Helen Atkinson, Strategic Director for Adult Social Care & Public Health  
Toni Carney, Team Manager, Adult Social Care  
Tim Evans, Cabinet Associate Member  
Sue Lewry-Jones, Chief Internal Auditor  
Sheila Little, Director of Finance  
Denise Le Gal, Cabinet Member  
Sheila Jones, Head of County-wide Services, Children, Schools and Families  
Cath Edwards, Risk and Governance Manager

**13/16 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

An apology for absence was received from Will Forster. An apology for lateness was received from Tim Hall who arrived at 10.05am at the start of item 5 on the agenda.

**14/16 MINUTES OF THE PREVIOUS MEETING 22 FEBRUARY 2016 [Item 2]**

The Minutes were approved as an accurate record of the previous meeting.

**15/16 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**16/16 QUESTIONS AND PETITIONS [Item 4]**

There were none.

**17/16 RECOMMENDATIONS TRACKER [Item 5]**

**Declarations of interest:**

None

**Witnesses:**

Helen Atkinson, Strategic Director for Adult Social Care & Public Health  
Toni Carney, Team Manager, Adult Social Care  
Tim Evans, Cabinet Associate Member  
Sue Lewry-Jones, Chief Internal Auditor  
Sheila Little, Director of Finance  
Denise Le Gal, Cabinet Member

**Key points raised during the discussion:**

1. **A18/15** (SEND Strategy) - The Chairman reported that report to Education & Skills Board had been emailed to Members of this Committee. He had spoken to the Chief Executive about the large sum of money being spent on transport and this would be looked at further. Members were informed that the Head of Service would be working with, and be supported by, the Chief Internal Auditor over the coming year. It was reported that whilst costs per head were generally higher than other county councils, the outcomes were generally lower.
2. **A20/15** (Adult Social Care record-keeping) – this was discussed in conjunction with **A43/15** below.
3. **A43/15** – (Internal Audit Report (Adult Social Care)) – It was reported that debt collection fluctuated between 95-96%. Work had been undertaken to look at all areas and identified areas that were slowing up the process. These areas were being worked on and communication between the different teams of staff involved was being improved. The use of online collection for small debts was hoped to improve the collection rate. It was reported that debt collection was very resource intensive and staff were looking at how to speed up processes.

There was some discussion about the deterrents for users getting into debt which did not hold the same punishments as say Council Tax debt. Services could not be withdrawn. Users were now being charged more promptly than before so they knew how much was being expected for the service.

A new IT system (Liquid Logic) was expected to go live in the Summer and officers expected a rise in collections following this. It was explained how slow and inefficient the present IT system was. Officers had undertaken a huge amount of work to improve the assessment process and ensure that it was near to the delivery of care. The new IT system would automate much of the financial assessments. All data on the old system was to be cleaned before transfer to the new system. The actual 'go live' date may change slightly depending on any unforeseen delays regarding testing and training of users. Being part of a digital partnership with the NHS would be a significant change. The Children's department also used Liquid Logic and work was taking place to ensure the system would be interoperable with the NHS system.

The legal process was explained and that taking legal action was a last resort.

An Annual Report was to go to the SCS Board in June.

In response to a query regarding morale on the frontline it was reported that whilst there were many challenges and changes occurring that morale amongst staff was quite good and that staff were very caring and passionate about their roles

4. **A1/16** – (Audit findings Surrey Choices- Business Plan) – The Annual Business Plan for Surrey Choices is being presented to the Shareholder Board in May 2016. It was agreed that the Committee would also see the Business Plan at their May meeting, for information. The Chairman clarified that the Committee wanted to see any proposals for additional funding before it went for a final decision in order that the Committee could make recommendations on it. The Committee were informed that the decision on any further investment would be a Cabinet or Cabinet Member decision. It was recommended that the Committee's role would be to ensure that the Audit Action Plan had been undertaken and that the Committee could make recommendations to the Council Overview Board to look at specific areas of concern.
5. **A2/16** – (Audit findings Surrey Choices – finance experts on Council's trading companies) – Sheila Little explained that it was not appropriate for her staff to provide the financial expertise on the Council's trading companies. That it was vital that each had the right financial capacity and her staff were not necessarily skilled in commercial business accounting. The Surrey Choices appointment was changed swiftly as soon as problems became apparent.

**Action/Further information to note:**

1. That the Chief Internal Auditor will look into how register of interests are recorded in the NHS, particularly GP interests in pharmacies and feedback on findings to Members.
2. **A1/16** – (Audit findings Surrey Choices- Business Plan) - To forward the Committee's concerns about performance and the potential request for more funding to the Council Overview Board with a request that they review this when looking at the Business Plan.

**RESOLVED:**

That the committee NOTES the report.

**18/16 INTERNAL AUDIT PLAN [Item 6]**

**Declarations of interest:**

None

**Witnesses:**

Sue Lewry-Jones, Chief Internal Auditor

**Key points raised during the discussion:**

1. The Chief Internal Auditor introduced the report and assured the committee that the Audit Plan reflects the key risks facing the Council and that sufficient resources are available to deliver the plan.
2. In response to a question about the cost of agency staff, the Chief Internal Auditor explained that it was beneficial to have some agency

staff particularly with their experience and knowledge learned from working with a variety of councils.

3. The Committee Manager confirmed that the Agreed Process for producing a log of Select Committee Reviews to be regularly shared with the Chairman was still in force but being new to the Council could not say when the last one took place.
4. It was noted that the number of days in Environment and Infrastructure (E&I) had nearly doubled on the 2015/16 figure. It was also noted that the E&I had a very large budget as SCC was a very large Council and therefore expect that section to have more days audit.

**Actions/Further information to be provided:**

1. None.

**RESOLVED:**

That the committee APPROVED the following:

- (i) Internal Audit Charter
- (ii) Internal Audit Strategy
- (iii) Internal Audit Reporting and Escalation Policy
- (iv) Internal Audit Quality Assurance and Improvement Programme
- (v) 2016/17 Internal Audit Plan

**19/16 EFFECTIVENESS REVIEW OF THE SYSTEM OF INTERNAL AUDIT [Item 7]**

**Declarations of interest:**

None

**Witnesses:**

Sue Lewry-Jones, Chief Internal Auditor

**Key points raised during the discussion:**

1. The Chief Internal Auditor presented this report and highlighted key data from a benchmarking exercise that Internal Audit had participated in. She also pointed out that an external assessment is undertaken every five years.

**Action/Further information to note:**

None.

**RESOLVED:**

That the committee NOTES the report.

**20/16 COMPLETED INTERNAL AUDIT REPORTS [Item 8]**

**Declarations of interest:**

None

**Witnesses:**

Sue Lewry-Jones, Chief Internal Auditor

Sheila Jones, Head of County-wide Services, Children, Schools and Families

**Key points raised during the discussion:**

1. The Chief Internal Auditor introduced her report which described six internal audit reports.
1. The Committee discussed the Foster Care report in detail with Sheila Jones, Head of County-wide Services. Sheila Jones explained the changes that had been put in place since the audit was undertaken and stated that 8 of the 12 high priority recommendations were already in place. It was emphasised that the issues were ones of record keeping and process recording rather than quality of service which had received complimentary comments from Ofsted. It was reported that staff were welcoming the changes. The challenge of finding new foster carers in Surrey was difficult and sending children out of the area meant extra costs to the Council. In response to a Member question regarding the criteria for foster care applications being too strict it was explained that criteria needed to be robust but that there were sometimes misunderstandings about the criteria. Communication around this was being worked on.

**Action/Further information to note:**

None.

**RESOLVED:**

That the committee NOTES the report.

**21/16 LEADERSHIP RISK REGISTER [Item 9]**

**Declarations of interest:**

None

**Witnesses:**

Cath Edwards, Risk and Governance Manager

Sheila Little, Director of Finance

**Key points raised during the discussion:**

1. **L1 – Financial Outlook** – It was highlighted that the European Referendum could delay any changes to Government policies. The Chairman questioned whether the Government policy of requiring all schools to become academies should be listed as a separate item in that the effects of this policy could be wide ranging for the Council. The Director of Finance explained that each department had their own risk registers that sat below the Leadership risk register and whilst academies was a big issue it was not a risk for the register. However, she would convey the Committee's concerns and discuss with the Statutory Responsibilities Network.
2. **L2 – Safeguarding, Children's' Services** - Members were referred to the Improvement Notice detail and changes to the Assistant Director roles and responsibilities.
3. **L5 – Medium Term Financial Plan 2016-21** – Members were referred to the addition of the newly formed Public Value Transformation Board.

**Action/Further information to note:**

The Director of Finance to discuss the Committee's concerns around the risk to the Council on all schools becoming academies, with the Strategic Responsibilities Network.

**RESOLVED:**

That the committee NOTES the report.

**22/16 DATE OF NEXT MEETING [Item 10]**

The date of the meeting was NOTED.

Meeting ended at: 12.02 pm

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**Chairman**