

**MINUTES** of the meeting of the **AUDIT AND GOVERNANCE COMMITTEE** held at 10.30 am on 27 September 2018 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:**

\*= Present

David Harmer (Chairman)  
Keith Witham (Vice-Chairman)  
Edward Hawkins  
Dr Peter Szanto  
Will Forster  
Stephen Spence\*

**46/18 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

There were none.

**47/18 MINUTES OF THE PREVIOUS MEETING: 26 JULY 2018 [Item 2]**

Members highlighted a typing error under minute 41/18, point 9.

Subject to a minor amendment, the Minutes were approved as an accurate record of the previous meeting.

**48/18 DECLARATIONS OF INTEREST [Item 3]**

Edward Hawkins declared a non-pecuniary interest in item 9 as he was the Surrey County Council (SCC) appointed Director of Halsey Garton Property Investment Ltd.

**49/18 QUESTIONS AND PETITIONS [Item 4]**

There were none.

**50/18 RECOMMENDATIONS TRACKER [Item 5]**

**Witnesses:**

David John, Audit Manager

**Key points raised during the discussion:**

1. Action A1/17 – The Chairman confirmed that he had discussed the matter with the Chairman of the Corporate Overview Select Committee and raised the concerns of the Committee.
2. Action A8/18 – The Audit Manager informed the Committee that officers were reassessing the risk register process and that they had been made aware of the Committees concerns.

3. Action 16/18 – the Audit Manager confirmed that he had followed up on the police investigation but had not yet received a full response.

**Action/Further information to note:**

None.

**RESOLVED:**

That the committee noted the report.

**51/18 ANNUAL COMPLAINTS PERFORMANCE REPORT [Item 6]**

**Witnesses:**

Sarah Bogunovic, Customer Relations and Service Improvement Manager

**Key points raised during the discussion:**

1. Officers introduced the report and provided Members with a brief summary. It was noted that there were three different complaints procedures in the Council; one for Children, Families and Learning, one for Adult Social Care and one for all other Council services. Members further noted that the volume of complaints did not in itself indicate the quality of the Council's complaints handling performance, as the Council wanted to be an open, learning organisation that encouraged feedback. Instead, escalation rates and uphold rates were considered to be a better measure of performance as they indicated where complaints had been unable to be resolved and fault had been found. A new early intervention approach had been introduced to address concerns that could be dealt with to the customer's satisfaction rather than go through the complaints procedure unnecessarily. Analysis had shown that there was a 15% decrease in complaints from the previous year and only 9% of early intervention cases had escalated to the complaints procedure. This suggested that the early intervention approach had been successful in preventing the unnecessary escalation of complaints.
2. Members noted that the Council had received exactly double the number of compliments than complaints.
3. Members praised the future implementation of a new customer feedback system as it would allow Members to track how residents felt about council services and give them an overview of compliments and complaints relevant to their electoral divisions. Members noted that the intention was for customer feedback information to be accessed through a real-time dashboard.
4. Officers confirmed that financial redress payments made through the complaints procedure were separate from the insurance and claims process and paid to customers where the actions (or inaction) of the Council had resulted in a verified financial loss. It was further noted that any payment over £1000 was required to be signed off by the head of service and relevant Cabinet Member.
5. Members raised concern that the number of compliments noted in the report may not be a true reflection due to officers not recording compliments received. Officers understood this concern and agreed that some officers might not be willing to record compliments as they

felt they were just doing their job. They explained that a standard definition had been put in place to allow officers to understand exactly what was considered to be a compliment. To further streamline the process, the new customer feedback system would give staff a single point of access to easily record compliments.

6. Members highlighted the benefits of providing a ratio of customer contacts compared to the number of complaints, as it was felt this would help to provide context to the number of complaints received. Officers agreed to consider new ways of visualising the data in future reports to provide appropriate context.
7. A short discussion was had relating to the top three complaint areas for the Council where Members suggested possible reasons for resident feedback.
8. Concern was raised over the benchmarking of Ombudsman complaints compared to other Local Authorities, as it was felt Surrey County Council should be more in line with Hertfordshire County Council.
9. Members discussed the training available for staff to ensure they were skilled enough to deal with a variety of situations; in particular the more challenging interactions with customers. It was noted that staff receive 'soft skills training' to improve their skills and confidence when speaking to residents.

**Resolved:**

The Audit & Governance Committee noted the Council's complaint handling performance in 2017/18 and how feedback from customers had been used to improve services.

**52/18 INTERNAL AUDIT PROGRESS REPORT - QUARTER 1 (01/04/18 - 30/06/18) [Item 7]**

**Witnesses:**

David John, Audit Manager

**Key points raised during the discussion:**

1. Officers introduced the report and provided Members with a brief summary. Members noted Recommendation B which asked Members to agree the revised Audit Charter following an external assessment of Orbis Internal Audit by the South West Audit Partnership. Following a short discussion, The Committee decided to consider Recommendation B separately where it was agreed.
2. Officers felt positive about the action tracking of the internal audits as each manager was making the changes previously agreed. Due to recent vacancies in the Audit team, it was highlighted that the internal audit plan would need to be reconsidered to priorities which audits the team had the resource to conduct.
3. Members discussed current issues relating to employees not following the correct process when recording transport expense costs. When discussing a solution, Members were reassured that work was being conducted with senior officers to improve the process for reimbursement to make it in line with the current work practices. It was

highlighted that it was a Her Majesty's Revenue and Customs (HMRC) policy to evidence fuel purchasing with a full VAT receipt.

4. Members sought clarification on when the review of surplus property would be completed. Following a discussion, it was noted that the new director responsible for Property Services would be reconsidering the property structure and releasing information soon. Members stated that they would follow this up at the next meeting of the Committee.
5. Members expressed that they were pleased with the outcome of the review of Purchasing cards.
6. It was noted that an audit report on Initial Health Assessments would be circulated the following week.
7. A discussion was had regarding the Council's and School's compliance to General Data Protection Regulation (GDPR) requirements. Officers stated that they were satisfied actions were being undertaken to comply but they expected more work was needed to be done.

**Resolved:**

The Audit and Governance Committee:

- a. noted the report
- b. agreed the revision within the Audit Charter at Appendix C of the report.

**53/18 EXTERNAL AUDIT PERFORMANCE REPORT 2017/18 AND KEY PERFORMANCE INDICATORS 2018/19 [Item 8]**

**Witnesses:**

Nicola O'Connor, Finance Manager  
Ciaran McLaughlin, Grant Thornton  
Marcus Ward, Grant Thornton

**Key points raised during the discussion:**

1. Officers introduced the report and provided Members with a brief Summary. It was noted that the report provided Members with details of Grant Thornton's performance during the last 12 months against key performance indicators (KPIs) previously agreed by the Committee.
2. Members confirmed that they found the report helpful and would like to continue receiving it annually.
3. Some Members felt that more challenge was needed as year on year Grant Thornton had received 100% on each performance indicator. Officers noted this and highlighted comments in Annex 1 which displayed that improvements could still be made.

**Resolved:**

The Audit and Governance Committee considered the contents of the report in Annex 1 and approved the proposed KPIs for the 2018/19 audit in Annex 2.

**54/18 ANNUAL AUDIT LETTER 2017/18 [Item 9]**

**Witnesses:**

Nicola O'Connor, Finance Manager  
Ciaran McLaughlin, Grant Thornton  
Marcus Ward, Grant Thornton

**Key points raised during the discussion:**

1. Officers introduced the item where it was noted that the report summarised the key messages and findings that arose from work carried out for the Council year ending 31 March 2018.
2. Members were informed that the Value For Money (VFM) conclusion would be published within the next month as Grant Thornton were continuing to process the findings. Representatives from Grant Thornton highlighted that it was becoming more common to publish late VFM conclusions as they have become more challenging to complete.
3. Members of the Committee sought clarity on the Council's position relating to auto-enrolment for County Councillors into the pensions scheme. It was asked whether Councillors should be considered as 'job holders' and therefore be entitled to the scheme. Representatives from Grant Thornton stated that this was a legal matter and suggested legal advice was sought.

**Resolved:**

The Audit and Governance Committee noted the contents of the Annual Audit Letter,

**55/18 DATE OF NEXT MEETING [Item 10]**

The date of the meeting was noted as 13 December 2018.

Meeting ended at: 12.05 pm

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**Chairman**