

MINUTES of the meeting of the **AUDIT & GOVERNANCE COMMITTEE** held at 2.00 pm on 20 September 2021 at Surrey County Council, Woodhatch Place, 11 Cockshot Hill, Reigate, Surrey, RH2 8EF.

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

Elected Members:

Stephen Cooksey
Victor Lewanski (Vice-Chairman)
David Lewis (Chairman)
Rebecca Paul
Joanne Sexton
Richard Tear

8/21 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

There were none.

9/21 MINUTES OF THE PREVIOUS MEETING [23 MARCH 2021] [Item 2]

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

10/21 DECLARATIONS OF INTEREST [Item 3]

There were none.

11/21 QUESTIONS AND PETITIONS [Item 4]

There were none.

12/21 RECOMMENDATIONS TRACKER [Item 5]

Speakers:

Mark Hak-Sanders – Strategic Finance Business Partner

Key points raised during the discussion:

1. Tracker item A1/21 - The Committee had been emailed the narrative for the Statement of Accounts for any final comments by 30 September.

Action/Further information to note:

None.

RESOLVED:

That the tracker be noted.

13/21 EXTERNAL AUDIT: ANNUAL AUDIT LETTER [Item 6]

Speakers:

Ciaran McLaughlin, Grant Thornton

Key points raised during the discussion:

1. The Committee received a verbal update from Grant Thornton and were informed that the target date of 30 September for auditing the accounts would not be met. There were various reasons for this including increased workload, changes to National Audit Office Code and impact of Covid. However, the Committee were assured that the accounts could be published on 30 September, but the audit would take a little longer. There were a small number of minor amendments to be made but nothing to bring to the Committee's attention.
2. Grant Thornton gave an update on the current progress of each stage of the audit process. He explained that the pension audit was 80% complete and that there were a few things being considered but nothing of concern.
3. In response to a Member query regarding delays for other local authorities, Grant Thornton reported that last year the deadline was 30 November, and it was thought that approximately 50% of local authorities would reach the 30 September deadline.

Actions/ further information to be provided:

None.

Resolved:

That the update be noted.

14/21 COUNCIL COMPLAINTS [Item 7]**Speakers:**

Sarah Bogunovic, Head of Customer Strategy and Futures
Jo Lang, Head of Customer Engagement

Key points raised during the discussion:

1. The Head of Customer Strategy introduced her report and highlighted the following:
 - a) That there were three different complaints procedures managed by three different teams (adult social care, corporate and children's social care). There were different statutory requirements for each, which was why adult social care only had one stage, corporate two stages and children's had a three stage process.
 - b) That it was important not to just look at the numbers when considering complaints handling performance, because low numbers might mean that a council was not open to receiving complaints or customer feedback. However, the overall number of complaints had increased in the last year due to an increase of 49% in complaints about education and children's services. Numbers had fallen in other areas.
 - c) There had been a general dip in performance with response timescales, with the exception of adult social care. The Covid-19 pandemic and complexity of complaints received, particularly about education & children's services, had been factors.
 - d) The Children's Customer Relations team were adopting an early resolution model, in line with the corporate approach.
 - e) There was a significant increase in the amount of financial redress paid in the last year. The majority of this related to education &

children's services. Payments over £1,000 were agreed in conjunction with the Cabinet Member.

- f) Pension complaints were included within the report but were managed through a different process.
- g) She drew the Committee's attention to information included within the report about Local Government & Social Care Ombudsman (LGSCO) complaints.
- h) That the report highlighted what had been done well last year and where improvement was needed. It was pointed out that more compliments than complaints were received and that it was important to present a balanced view of services.

2. Member questions and responses:

- a) Why the response times were not being met in 24% of cases and what was being done to improve this?

The Head of Customer Strategy responded that this was reliant on service areas having capacity to respond to complaints and that a number of staff had been redirected for Covid.

The Head of Customer Engagement stated that children's services needed to do more, that cases could be very complex dealing with different agencies and the numbers of complaints in this area had doubled in the last five years. She went on to explain the early resolution process being brought in this year and that staff training was underway. She also highlighted the importance of building relationships with families, which could take time.

- b) What was the total cost of complaints including other costs such as staffing?

The Head of Customer Strategy responded that an exercise was done a few years ago to establish this but that it was complex to calculate. The previous estimate of the cost of an Ombudsman complaint to the organisation was approx. £1,500 per complaint (not taking into account any financial remedies that may be recommended). It was agreed that it would be good to update this exercise.

- c) How reliable was the comparisons used for the LGSCO benchmarking as no population figures were given?

Officers responded that the councils chosen to benchmark against were most like Surrey County Council in terms of services offered and their topography (town vs rural). It was agreed it would be helpful to include per capita calculations in future benchmarking. It was also agreed that the annex to the submitted report would be revised to show numbers per population and would be recirculated to the committee.

- d) Was the early resolution process enough to resolve the issues in children's and education and how did 8% escalation rate to the Local Government Ombudsman (LGSCO) compare with other councils? Officers explained that many of the children's complaints went back some years and referred to the transformation and improvement programme being undertaken by children's services. The escalation rate to the Ombudsman had decreased slightly from the previous year; however, because the LGSCO had paused their casework at the

height of the pandemic this was reflected in their data which made it more difficult to make meaningful comparisons.

- e) With the population in Surrey being approximately 1.2million, could the complaints data be broken down on a geographic basis into borough and district areas?

Officers explained that users of online services did not always give full contact details and they did try where possible to capture location. Work was being undertaken with the supplier of the self-service complaints system to improve reporting. There was also a council-wide piece of work happening to provide Members with better access to local information and complaints data would form part of this. Members requested that this work be expedited.

- f) Was one extra staff member within the Customer Relations team enough to get performance back on track and where staff were at fault was there further training?

Officers explained that service complaints should be dealt with by front line staff in the first instance, which would leave the complaints team to deal with more complex complaints. Officers also explained the 'no blame' culture, case reviews and learning and improvement processes that were in place. Where potential misconduct is identified, this may lead to disciplinary action following liaison with managers.

- g) In response to a question on why there were different response deadlines for different areas, officers explained the statutory requirements in place for the different complaints procedures.

- h) There was some discussion on how the committee could help make sure the Council was learning from complaints to improve its services. Officers were aware that the complaints process could be frustrating for residents and that it may not seem easy or accessible. They also spoke of managing expectations, having early and honest conversations with residents and staff focusing on finding solutions where this was possible.

Actions/ further information to be provided:

1. That the annex to the submitted report would be revised to show numbers per population and would be recirculated to the committee.
2. That the workplan be updated with more regular complaints reports.

Resolved:

1. That the report be noted.
2. That the Chairman be informed, along with the Cabinet Member, when a redress payment goes beyond £1,000.

15/21 INTERNAL AUDIT PROGRESS - Q1 [Item 8]

Speakers:

David John, Audit Manager

Russell Banks, Chief Internal Auditor

David Mody, Strategic Risk Business Partner

Key points raised during the discussion:

1. The Audit Manager gave a full precis of the submitted report and highlighted areas of interest.
2. In response to questions around audit work on unclaimed grants and pension fund investment returns the Audit Manager stated that not all grants needed certification by Orbis Internal Audit and that finance managed this. He also confirmed that Internal Audit did not look at returns on pension fund investments, though the system was audited as part of annual Key Financial Systems work.
3. The Committee were reminded that it would be appropriate to request updates directly from service managers.
4. There was some discussion around the connectivity between audit and the risk register. The Strategic Risk Partner stated that he was sighted on all audit findings and was working to ensure risks flagged by Internal Audit reconciled with information he had from services. Whilst pensions was not in the top 20 corporate risks he was also meeting with Finance and Pensions to discuss issues.
5. The Chief Internal Auditor explained that each high-priority action arising in an audit was assigned an action owner in MKI (Internal Audit's electronic working paper database) who was required to confirm to Internal Audit that the action had been implemented as agreed. It was also explained that if deadlines for agreed actions were delayed, then the service would need to raise this with Internal Audit and agree with us a revised date of implementation. If there was a delay on a high-priority agreed action then a mitigating control would have to be in place.

Actions/ further information to be provided:

None.

Resolved:

That the report be noted.

16/21 RISK MANAGEMENT [Item 9]

Speakers:

David Mody, Strategic Risk Business Partner

Key points raised during the discussion:

1. Committee Members raised concerns about whether or not the new risk (ST26) of SCC not being chosen for the Government's County Deal Pilot was indeed a risk or just a missed opportunity. Only two counties were to be selected so the chances of not being selected were high. Also, there was now a new Secretary of State and would they continue with this. Even if the Council were chosen it was thought that this would be the start of a range of discussions, and it would be much further down the line for it to become a risk.
2. The Committee discussed and queried a few of the risks on the register and were informed that relevant officers were to be invited to future meetings to discuss risks in depth. The Committee agreed to discuss, outside of the meeting, the order in which risks were to be looked at in-depth.

Actions/ further information to be provided:

1. That the Committee's thoughts on the strategic risk ST26 be relayed back to Corporate Management Team for consideration.
2. That the Committee Manager arrange a virtual informal meeting for Committee to discuss forward planning of risks.

Resolved:

1. That the strategic risks were noted and that comments regarding ST26 be relayed back to the Corporate Leadership Team.
2. That the Risk Management Strategy be approved.
3. That the Committee Manager arrange a virtual informal meeting for Committee to discuss forward planning of in-depth consideration of risks.

17/21 DATE OF NEXT MEETING [Item 10]

The date of the meeting was NOTED.

Meeting ended at: 3.22 pm

Chairman