

Extract from the MINUTES of the meeting of the **AUDIT & GOVERNANCE COMMITTEE** held at 10.00 am on 29 May 2014 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

103/14 2013/14 ANNUAL GOVERNANCE STATEMENT [Item 12]

Declarations of Interest:

None.

Witnesses:

David Hodge, Leader of the Council

Sue Lewry-Jones, Chief Internal Auditor

David McNulty, Chief Executive

Key Points Raised During the Discussion:

1. The Chairman asked whether it would be possible to include an update on the comments made about the internal control environment in the previous year's Annual Governance Statement. The Chief Internal Auditor suggested that this was not necessary as either there were no more concerns in a particular area or they had been addressed in the Internal Audit Annual Report.
2. The Chief Executive responded to the comment that the Council does not have a central programme office any longer as there had been a need to make savings in the back office. The previous central programme office had done interesting work but had been an additional layer of bureaucracy. Departments had worked hard to ensure that a common methodology is applied to programmes and that the right skills and tools are available. He stated that he wasn't convinced that there was sufficient merit in having a central programme office to offset the cost involved. The Chairman agreed that sometimes central programme offices can take over the running of projects and reduce responsibility within the service.
3. The Vice-Chairman queried if the leadership felt that Select Committees were challenging enough. The Leader of the Council informed the committee of work with South East employers on improving the effectiveness of Select Committees. Over the past few months the standard of chairmanship of Select Committees had improved. Member coaching was also available to support committees to be challenging in a positive manner. He pointed out that as Leader of the Council he had no control over the overview and scrutiny process but that he did want to see strong Select Committees. The Chief Executive stressed that Select Committees were well-informed and had intellectual integrity. The Cabinet does take feedback from Select Committees seriously and feels sufficiently challenged. The Vice-Chairman suggested that some Select Committees do have issues, for example not taking audit findings seriously. The Chief Executive assured the committee that he is aware of the issues as perceived by Audit & Governance Committee and that the Chairman of the Committee raises issues with him, which is very helpful.
4. It was suggested that the Statement be more explicit about the work ongoing as part of the flood recovery exercise. The Chief Executive stated that he did not want it to appear that the Council was being self-congratulatory when residents were continuing to suffer from the implications of the flooding. He also felt that a more explicit statement was not necessary in the Annual Governance Statement but suggested that there would be a stronger reference to the flooding in the Council's Annual Report.
5. Concerns were raised about the schools place programme not running effectively. Two Planning and Regulatory Committee meetings in a row had not considered school expansion planning applications when it was known that there are a number in the pipeline. The Chief Executive agreed that the schools place programme is a key objective for the council and of significant scale. However, he wasn't aware of

specific governance issues. The committee agreed that it wished the schools place programme to be addressed within the Annual Governance Statement (**Recommendations tracker ref: A14/14**).

6. It was suggested that an emphasis on making physical assets work harder could be set out more strongly under Transparency and Stewardship. The Chief Executive agreed that this could be brought out more strongly (**Recommendations tracker ref: A15/14**).
7. The Chairman stated that he was not convinced that the problems with the Children in Care Health and Dental Checks were only about the timeliness of the paperwork trail but were also due to checks not being undertaken on a timely basis. The Chief Executive confirmed that the Corporate Parenting Board had received an update on Health and Dental Checks. This had shown that CCGs and the private provider Virgin Care had made significant progress on this issue. Increased capacity had been made available and there was improved confidence that checks would be delivered on time. The Corporate Parenting Board would keep a relentless focus on this. The Leader of the Council also informed the committee that he addresses this issue in his accountability meetings with the relevant Cabinet Members. The Chairman requested that the committee be sent the Minutes of the Corporate Parenting Board so that it could reassure itself on these improvements (**Recommendations tracker ref: A16/14**).
8. The Chairman suggested that under 'Focus for 2014/15' or the 'Engagement and Collaboration', reference should be made to the challenges of the Care Act. The Leader of the Council informed the committee that, due to the lack of certainty about what would happen after May 2015, it was preferable for the Council to concentrate on being resilient enough to handle anything that may be required.
9. The Chief Executive asked that the committee acknowledge the tremendous work of the Risk and Governance Manager on the Annual Governance Statement.

Actions/Further information to be provided:

- i. The schools place programme to be addressed within the Annual Governance Statement.
- ii. An emphasis on making physical assets work harder to be set out more strongly under Transparency and Stewardship.
- iii. The Minute of the Corporate Parenting Board relating to improvements to the Children in Care Health and Dental Checks to be circulated to the Committee.

RESOLVED:

- a. To COMMEND the draft Annual Governance Statement, subject to the amendments outlined above, to the Cabinet for publication with the council's Statement of Accounts.

Committee Next Steps:

None.