

## **Annual Report of the Audit, Crime & Disorder and Scrutiny Committee 2021-2022**

### **1. Introduction**

- This Annual Report provides Council with an overview of the work of the Audit, Crime & Disorder and Scrutiny Committee undertaken during 2021-2022.
- The Committee met five times between 01 April 2021 and 11 March 2022, with the following Member attendance:

| <b>Member</b>   | <b>Actual Attendance at Meetings</b> | <b>Nominated Substitute</b> |
|---|--------------------------------------|-----------------------------|
| Councillor Steve Bridger (Chair)                      | 5                                    |                             |
| Councillor Nigel Collin (Vice Chair)                  | 5                                    |                             |
| Councillor Steven McCormick (Vice Chair) (April only) | 1                                    |                             |
| Councillor Arthur Abdulin                             | 5                                    |                             |
| Councillor Liz Frost                                  | 5                                    |                             |
| Councillor Rob Geleit                                 | 4                                    | 1                           |
| Councillor David Gulland                              | 5                                    |                             |
| Councillor Previn Jagutpal                            | 1                                    |                             |
| Councillor Colin Keane (April only)                   | 1                                    |                             |
| Councillor Phil Neale                                 | 4                                    |                             |
| Councillor Alan Sursham                               | 2                                    |                             |
| Councillor Chris Webb                                 | 1                                    |                             |

- The Committee considered and agreed its work programme for 2021-2022 in April 2021. The work programme was designed to ensure that the Committee would meet its statutory and local responsibilities and provided the Council with added value and assurance.
- Two notable changes to the Committee were actioned in the year. Firstly, quarterly budget monitoring reports began to be brought to this Committee from September 2021. Secondly, the Council's committees' terms of reference were updated and approved by Full Council in February 2022, this included a name change of this Committee to the Audit & Scrutiny Committee, and the creation of a separate Crime and Disorder sub Committee (of the Environment and Safe Communities Committee). This change will come into effect for the next municipal calendar.

### **2. Effectively Holding Decision Makers to Account**

- This section pertains to the scrutiny element of the Committee's responsibilities. Specifically, it considers the scrutiny of the Council's decisions and actions, matters which affect residents, future policy development and other corporate projects and initiatives the Committee feels are relevant to review.
- To support effective, transparent and accountable decision making at the Council, the Committee has the power to review policy committee decisions made, but not yet implemented, through the call-in procedure.
- In the year 2021-2022, the Committee received a report outlining the key findings from a post-implementation review of the use of Defoe Court for temporary accommodation. One of the key findings is to ensure that going forward, resource for the delivery of projects is factored in as part of the initial planning and included in requests for funding, especially for "invest to save cases" where delays are costly to the Council. This finding will be extended to all other Council departments via the updates to our corporate project monitoring from April 2022 onwards.
- The Committee received the "Annual Report on the use of Delegated Powers" in June 2021. These are significant decisions that are made based on the principle, within the Council's Scheme of Delegation, that officers are authorised to do all things that are necessary to run their services and to implement council policies, provided their actions are taken within budget and according to standing orders and so forth. This also covers urgent decisions made, for instance, when responding to an emergency. Committee chairs are consulted, and councillors notified via members updates and the annual delegated powers report.
- Following consideration, the Committee resolved unanimously to note the significant decisions taken by Officers in consultation with relevant Chair recorded using the delegated authority process from 22 May 2019 to 28 May 2021.
- A scrutiny training session was also held for Committee members in July 2021. The session, titled 'How can we make scrutiny more effective?', was led by a representative from the Centre for Governance and Scrutiny.

### **3. Improving Services and the Quality of Life for Local People**

- Scrutiny, again, is the topic of this section, within the context of how the council is performing in light of its four-year corporate plan, which is split into four annual plans, and contributing to the quality of life for its residents and businesses.
- The Committee noted progress made against the Council's Four Year Plan, year 2020-2021, which encapsulates how the Council will contribute to the

long-term vision for Epsom and Ewell.<sup>1</sup> The Committee reviewed a progress report in April 2021 and the end of year report in June 2021.

- The year end report for 2020-2021 highlighted that 63% of the year's objectives had been achieved, with 12% close to completion or waiting for data at the time of the report's writing. 3% were 'information only' indicators. The 35% of objectives that were not achieved, were largely due to the Covid-19 pandemic such as national lockdowns, staff absences and staff redeployed / workloads increased due to Council's emergency response work.<sup>2</sup> Following consideration of the report, the Committee unanimously agreed to note the achievement of the individual key priority targets 2020-2021 and the actions to be taken in 2021-2022.
- The Committee carried out a pre scrutiny of the Annual Plan 2021-2022 prior to it being reported to the Strategy & Resources Committee. The Committee generally supported the methodology and approach and recommended a number of proposed changes to the objectives and key performance indicators.
- In April 2021 the Committee received an update on the Council's emergency response to the Covid-19 pandemic, which identified some of the high-level findings and follow-up actions. The Council will continue to closely monitor any developments in this area. In addition, the ongoing financial implications of the pandemic will regularly feature at the Committee as part of the quarterly budget monitoring reports.
- The Committee met its responsibilities under the Police and Justice Act 2006 by reviewing the work of the local Community Safety Partnership (CSP) in April 2021.
- The Committee considered and reviewed a report on the work of the Epsom & Ewell CSP, and an appendix containing information on its agreed actions and priorities, namely:
  - Focus on the most vulnerable or those at risk of harm
  - Serious Organised Crime and PREVENT
  - Identifying and tackling crime and anti-social behaviour
  - Improving community engagement.
- The local Borough Inspector - Surrey Police being a key statutory partner of the CSP - attended the Committee meeting and provided Committee members with a presentation. He updated the Committee on work undertaken by Surrey Police within the borough. Committee members raised four matters, concerning police staffing resources, communication with local councillors,

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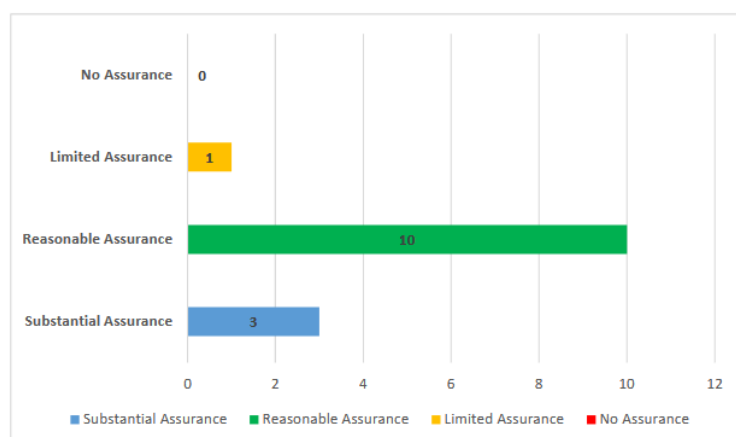
<sup>1</sup> For more information see: <https://www.future40.org/about/> [Last accessed 10/03/22].

<sup>2</sup> For a full commentary on the missed targets see: <https://democracy.epsom-ewell.gov.uk/documents/s20004/Four%20Year%20Plan%20Year%20End%20Performance%20Report%202020%21%20Appendix%202.pdf> [Last accessed 10/03/22].

and catalytic converter theft. The Committee agreed to note the report and provided comments on the work of the CSP.

#### 4. Monitoring and Improving the Council's Governance

- This section relates to the audit element of the Committee's responsibilities, and how it has maintained oversight of the council's framework of governance, risk management and internal control environment.
- Governance can be defined as "comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved."<sup>3</sup> Governance includes processes, procedures, policies, administrative systems, legal arrangements and so forth, "through which [an organisation's] objectives are set and pursued in" their environmental context, while "ensuring that stakeholders can have confidence that their trust in that [organisation] is well founded."<sup>4</sup>
- To ensure good governance, the Committee has considered six reports from the Council's independent internal audit function within the year. These reports cover audit planning for the year, internal audit's findings with respect to individual business units' governance arrangements, and an overall opinion on status of the Council's governance.
- The Head of Southern Internal Audit Partnership provided his annual opinion to Committee in June 2021. He concluded that for the year 2020-2021, the overall adequacy and effectiveness of the Council's framework of governance, risk management and control was "reasonable". The outcomes of 14 completed audits are as follows:<sup>5</sup>



**Substantial** –A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

**Reasonable** - There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

**Limited** - Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

**No** - Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

\*2 reviews did not culminate in an audit opinion as one related to a review of the Local Government Compensation Scheme claims and the other to the Conservators Accounts sign off.

<sup>3</sup> CIPFA (2014) *International Framework: Good Governance in the Public Sector*. London: Chartered Institute of Public Finance and Accountancy, p. 8.

<sup>4</sup> The Chartered Governance Institute UK & Ireland (no date) *What is corporate governance?* Online available: <https://www.cgi.org.uk/about-us/policy/what-is-corporate-governance> [Last accessed 10/03/22].

<sup>5</sup> See SIAP (2021) *Annual Internal Audit Report & Opinion 2020-21*, Southern Internal Audit Partnership. Online available: <https://democracy.epsom-ewell.gov.uk/documents/s19997/Annual%20Internal%20Audit%20Report%20and%20Opinion%20202021%20Appendix%201.pdf> [Last accessed 10/03/22].

- 93% of the audits received a “reasonable” or “substantial” opinion, and where weaknesses have been identified through internal audit review, [Internal Audit] have worked with management to agree appropriate corrective actions and a timescale for improvement.”<sup>6</sup> Progress on improvement actions are reported within each quarterly Internal Audit progress report brought to the Committee.
- The internal audit annual opinion also underpins the Council’s Annual Governance Statement (AGS). The 2020-2021 AGS was approved by the Committee in June 2021. The statement presented the Council’s opinion on its governance arrangements and their effectiveness, as well as reporting on how governance improvements identified in the previous statement had been addressed, and actions to be pursued in the following year.<sup>7</sup> The AGS was also reviewed by external audit and included alongside their annual audit of the Council’s finances.
- In November 2021, the Committee considered the annual report on the council’s risk management framework. The report provided an update on the Council’s risk management arrangements and the top risks being addressed by the Council as recorded in the Corporate Risk Register. Other points addressed were:
  - since January 2021, Applied Resilience has been supporting the Council in delivering emergency planning;
  - the 2017-2021 Risk Management Strategy was due to expire, which would be reviewed and updated when the new Business Assurance Manager commenced his duties in January 2022;
  - the Climate Change Action Plan is under the remit of the Planning Policy team who had recently recruited an Environment and Sustainability Project Officer;
  - a new corporate Health and Safety Officer will be addressing the matter of the completion of a risk assessment by employees who work from home on certain days.
- The Committee did not identify any further risks or points which it wished to raise with management.
- The annual report on matters relating to the Regulation of Investigatory Powers Act 2000 (RIPA) was considered in June 2021. The Act and the Codes of Practice issued under section 71 regulate the way in which the Council conducts surveillance for the purposes of law enforcement. The Committee was informed that there were no applications for directed surveillance authorisations in 2020. The Committee also agreed to note the findings of the inspection by the Investigatory Powers Commissioner’s Office,

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<sup>6</sup> Ibid, footnote 6.

<sup>7</sup> The full statement can be found at: <https://democracy.epsom-ewell.gov.uk/documents/s20001/Annual%20Governance%20Statement%20202021%20Appendix%201.pdf> [Last accessed 11/03/22].

which did not put forward any recommendations for the Council to address.<sup>8</sup> Members did note that there was currently no member of staff accredited in RIPA. The Officer explained that historically, RIPA has not been used frequently, and that there is no need at present to employ an expert in this field. However a RIPA refresher training course was held for the Environmental Health team in October 2021.

- The Head of Finance presented the forecasts for the revenue and capital outturn for the financial year. The Committee received Quarter 1 in September, Quarter 2 in November and Quarter 3 in February. The revenue monitoring identifies favourable and unfavourable variances and the actions or plans in place to address these.
- The capital monitoring reports focus on the core capital programme, property acquisition fund, S106 developers' contributions and Community Infrastructure Levy. These were presented to the Committee in September 2021, November 2021, and February 2022.
- In addition, the Head of Finance brought a report to the November Committee on the proposal for the appointment of a new external auditor for a five year period from 1 April 2023. The Committee agreed with the recommendation to accept the national procurement scheme through Public Sector Audit Appointments Limited (PSAA), which will recommended to Strategy & Resources Committee and Full Council.

## **5. Conclusion**

- The Audit, Crime & Disorder and Scrutiny Committee wishes to record its thanks to all those who contributed to the work of the Committee over the year.

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<sup>8</sup> See Section 7 of the June meeting, available at: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CIId=157&MIId=920&Ver=4> [Last accessed 11/03/22].