

**Minutes of the Meeting of the AUDIT AND SCRUTINY COMMITTEE held at the Council Chamber, Epsom Town Hall on 18 July 2023**

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**PRESENT -**

Councillor Steve Bridger (Chair); Councillor Robert Leach (Vice-Chair); Councillors Chris Ames, Rachel King, James Lawrence, Phil Neale and Chris Watson

In Attendance: Councillor Hannah Dalton, Paul Cuttle (Key Audit Partner) (Grant Thornton (External Auditor)) (Items 4 only) and Natalie Jerams (Assistant Head of Partnership) (Southern Internal Audit Partnership (Internal Auditor)) (Items 5-6 only)

Absent: Councillor Jan Mason

Officers present: Andrew Bircher (Interim Director of Corporate Services), Brendan Bradley (Head of Finance), Chris Anderson (Head of IT), Piero Ionta (Head of Legal Services and Monitoring Officer), Sue Emmons (Chief Accountant), Will Mace (Business Assurance Manager) and Phoebe Batchelor (Democratic Services Officer).

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**42 AGENDA ORDER CHANGE**

The Chair proposed that the order of the agenda was amended to allow the representatives of the Internal Audit and External Auditors to complete their items first.

The following order was therefore observed:

- 1 - Questions and Statements from the Public
- 2 - Declarations of Interest
- 3 - Minutes of the Previous Meeting
- 4 - External Auditor's Annual Report – 2021/22
- 5 - Internal Audit Progress Report – July 2023
- 6 - Internal Audit Annual Report and Opinion 2022-2023
- 7 - IT Strategy
- 8 - Annual Governance Statement 2022-2023
- 9 - Use of Delegated Powers Annual Report

10 - Performance and Risk Report – July 2023

11 - Committee Work Programme

#### 43 QUESTION AND STATEMENTS FROM THE PUBLIC

The Committee received one written question from a member of the public and noted that the Chair of the Audit & Scrutiny Committee had provided a written response to the questioner prior to the meeting. This response had also been published on the Council's website.

One supplementary verbal question was asked during the meeting and the Chair confirmed that a written response would be provided to the questioner in due course.

#### 44 DECLARATIONS OF INTEREST

No declarations of any Disclosable Pecuniary Interests in respect of any item of business to be considered at the meeting were made by Members.

#### 45 MINUTES OF THE PREVIOUS MEETING

The Committee confirmed as a true record the Minutes of the Meeting of the Committee held on **6 April 2023** and authorised the Chair to sign them.

A Member of the Committee asked for reassurance that the additional information to be provided by Officers to Members, as stated in the minutes of the 2 February and 6 April Meetings, had been received by the former Members of the Committee. The Chair reminded the Committee that the discussion is to agree the accuracy of the minutes, not to ask questions relating to the content of the minutes. The Chair invited the Member to put their question in writing and a response would be provided in due course.

#### 46 EXTERNAL AUDITOR'S ANNUAL REPORT - 2021/22

The report presented Grant Thornton's 2021/22 Annual Report to members.

The following matters were considered:

- a) **Interest Rates.** A Member of the Committee asked for clarity on the borrowing position of the Council, with long-term borrowing of £64 million and interest of £1.6 million, how much has that been affected by the recent hike of interest rates and is that sustainable, bearing in mind high interest rates, or is that on a long-term fixed interest rate. The Head of Finance informed the Committee that the Council has £64 million long term borrowing, that was incurred to finance the acquisition of investment properties a number of years ago, so that borrowing is supported by equivalent assets. The Head of Finance noted at the time of undertaking the borrowing, interest rates were around historic lows, and the borrowing was fixed for the long-term, with one £5 million loan fixed for 10 years and the rest for 50 years, ending in the mid-2060s. The Head of Finance

informed Committee that the £5 million maturing in 2027 is not currently expected to need to be refinanced, as the Council sets aside a sum each year to repay loans when they fall due. The remaining £59 million is fixed at interest rates broadly around the 2.5% mark until the mid-2060s.

Following consideration, the Committee;

Resolved (5 for, 1 abstained, and the Chair not voting) to:

- (1) Receive the Auditor's Annual Report;**
- (2) Note the management responses to the auditor's recommendations at Appendix 1.**
- (3) Note the delay to the start of 2022/23's external audit, as explained at Appendix 2.**

#### **47 EXCLUSION OF THE PRESS AND PUBLIC**

The Committee resolved to exclude the Press and Public from the meeting in accordance with Section 100A (4) of the Local Government Act 1972 on the grounds that the business involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

#### **48 INTERNAL AUDIT PROGRESS REPORT - JULY 2023**

The report summarised the progress against the Internal Audit Plan 2022-2023.

Following consideration, the Committee unanimously resolved to:

- (1) Note the Internal Audit progress report 2022-2023 from Southern Internal Audit Partnership (SIAP) attached at Appendix 1.**

#### **49 INTERNAL AUDIT ANNUAL REPORT AND OPINION 2022-2023**

The report presented the Committee with the Annual Internal Audit Report and Opinion 2022-2023.

Following consideration, the Committee unanimously resolved to:

- (1) Receive the Annual Internal Audit Report and Opinion 2022-2023 attached at Appendix 1.**

#### **50 PUBLIC MEETING RESUMED**

The Committee resolved to resume the Public Meeting.

**51 IT STRATEGY**

The report, received by the Committee, provided the interim IT Strategy agreed by Strategy & Resources Committee on 28 March 2023.

The following matters were considered:

- a) **Resident Services.** A Member of the Committee asked for examples of transformational projects, that will improve and increase online services to residents, as referenced in the report. The Head of ICT responded to inform the Committee, that our current online forms and bookings are being updated using the new MyCouncil Services (MCS) software. The Head of ICT also noted that the current Website platform is due for upgrade and replacement. This will tie in with MyCouncil Services and ensure the whole EEBC Website is easier for residents to access services.
- b) **Access to IT.** A Member of the Committee asked about residents who do not have access to any IT equipment, and enquired about any initiatives, run by the Council, which will make access to and confidence with IT more widely available and supported. The Head of ICT confirmed that free Wi-Fi is available at various Council Venues, including the Town Hall and Bourne Hall. The Head of IT informed the Committee that a number of devices (10 at present but more to follow) were being made available (through Cllr Jones) for residents. The Chair informed the Committee that Surrey County Council is carrying out training in Epsom Library, where individuals can bring devices or questions and they will be assisted with their IT needs.

Following consideration, the Committee unanimously resolved to:

- (1) **Note and comment on the contents of the IT Strategy.**

**52 ANNUAL GOVERNANCE STATEMENT 2022-2023**

The report, received by the Committee, sought the Committee's approval of the draft Annual Governance Statement 2022-2023.

Following consideration, the Committee unanimously resolved to:

- (1) **Approve the 2022-2023 draft Annual Governance Statement as set out at Appendix 1, prior to it being signed by the Chief Executive and the Chair of the Strategy and Resources Committee.**
- (2) **Give delegated authority to the Chief Finance Officer to make any required amendments to the Annual Governance Statement prior to its submission with the Statement of Accounts.**

**53 USE OF DELEGATED POWERS ANNUAL REPORT**

In accordance with the council's Scheme of Delegation to officers, the report, received by the Committee, set out the significant decisions taken by officers in consultation with committee chairs for the period 26 May 2022 to 31 May 2023.

Following consideration, the Committee unanimously resolved to:

- (1) Note the significant decisions taken by officers, in consultation with relevant committee Chairs, recorded using the delegated authority process from 26 May 2022 to 31 May 2023.**

**54 PERFORMANCE AND RISK REPORT - JULY 2023**

The Committee received a report which provided an overview of the council's end of year performance with respect to its 2022-2023 annual plan objectives, key performance indicators, corporate risks and annual governance statement actions.

Following consideration, the Committee unanimously resolved to:

- (1) Note and comment on the performance and risk information located at Appendix 1, including those targets which have not been achieved.**

**55 COMMITTEE WORK PROGRAMME**

The Committee were presented with a report presenting the Work Programme for 2023-2024.

Following consideration, the Committee unanimously resolved to:

- (1) Note and agree the on-going Work Programme for 2023-2024 as presented in Section 2.**

*The meeting began at 7.45 pm and ended at 8.38 pm*

COUNCILLOR STEVE BRIDGER (CHAIR)