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Democratic Services



AUDIT AND SCRUTINY COMMITTEE

Thursday 27 March 2025 at 7.30 pm

Place: Council Chamber, Epsom Town Hall

Online access to this meeting is available on YouTube: [Link to online broadcast](#)

The members listed below are summoned to attend the Audit and Scrutiny Committee meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Councillor Steven McCormick (Chair)	Councillor Jan Mason
Councillor Phil Neale (Vice-Chair)	Councillor Graham Jones
Councillor Chris Ames	Councillor Alan Williamson
Councillor James Lawrence	

Yours sincerely

Chief Executive

For further information, please contact democraticservices@epsom-ewell.gov.uk or tel: 01372 732000

EMERGENCY EVACUATION PROCEDURE

No emergency drill is planned to take place during the meeting. If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest available exit. You will be directed to the nearest exit by council staff. It is vital that you follow their instructions.

- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building, but move to the assembly point at Dullshot Green and await further instructions; and
- Do not re-enter the building until told that it is safe to do so.

Public information

Please note that this meeting will be held at the Town Hall, Epsom and will be available to observe live using free YouTube software.

A link to the online address for this meeting is provided on the first page of this agenda. A limited number of seats will be available on a first-come first-served basis in the public gallery at the Town Hall. If you wish to observe the meeting from the public gallery, please arrive at the Town Hall reception before the start of the meeting. A member of staff will show you to the seating area. For further information please contact Democratic Services, email: democraticservices@epsom-ewell.gov.uk, telephone: 01372 732000.

Information about the terms of reference and membership of this Committee are available on the [Council's website](#). The website also provides copies of agendas, reports and minutes.

Agendas, reports and minutes for this Committee are also available on the free Modern.Gov app for iPad, Android and Windows devices. For further information on how to access information regarding this Committee, please email us at democraticservices@epsom-ewell.gov.uk.

Exclusion of the Press and the Public

There are no matters scheduled to be discussed at this meeting that would appear to disclose confidential or exempt information under the provisions Schedule 12A of the Local Government Act 1972 (as amended). Should any such matters arise during the course of discussion of the below items or should the Chair agree to discuss any other such matters on the grounds of urgency, the Committee may wish to resolve to exclude the press and public by virtue of the private nature of the business to be transacted.

Questions and statements from the Public

Up to 30 minutes will be set aside for questions and statements from members of the public at meetings of this Committee. Any member of the public who lives, works, attends an educational establishment or owns or leases land in the Borough may ask a question or make a statement on matters within the Terms of Reference of the Committee.

All questions must consist of one question only and cannot consist of multiple parts. Questions and statements cannot relate to planning or licensing committees matters, the personal affairs of an individual, or a matter which is exempt from disclosure or confidential under the Local Government Act 1972. Questions which in the view of the Chair are defamatory, offensive, vexatious or frivolous will not be accepted. Each question or statement will be limited to 3 minutes in length.

If you wish to ask a question or make a statement at a meeting of this Committee, please contact Democratic Services at: democraticservices@epsom-ewell.gov.uk

Questions must be received in writing by Democratic Services by noon on the third working day before the day of the meeting. For this meeting this is **Noon, Monday 24 March**.

A written copy of statements must be received by Democratic Services by noon on the working day before the day of the meeting. For this meeting this is **Noon, Wednesday 26 March**.

For more information on public speaking protocol at Committees, please see [Annex 4.2](#) of the Epsom & Ewell Borough Council Operating Framework.

Filming and recording of meetings

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Members of the Press who wish to film, record or photograph a public meeting should contact the Council's Communications team prior to the meeting by email at: communications@epsom-ewell.gov.uk

Filming or recording must be overt and persons filming should not move around the room whilst filming nor should they obstruct proceedings or the public from viewing the meeting. The use of flash photography, additional lighting or any non-handheld devices, including tripods, will not be allowed.

AGENDA

1. QUESTIONS AND STATEMENTS FROM THE PUBLIC

To take any questions or statements from members of the Public.

2. DECLARATIONS OF INTEREST

To receive declarations of any Disclosable Pecuniary Interests or other registrable or non-registrable interests from Members in respect of any item to be considered at the meeting.

3. MINUTES OF THE PREVIOUS MEETING (Pages 5 - 18)

The Committee is asked to confirm as a true record the Minutes of the Meeting of the Committee held on the 6 February 2025 (attached) and to authorise the Chair to sign them.

4. COMPLAINTS REPORT APRIL 2024 - DECEMBER 2024 (Pages 19 - 32)

This report details Stage 1 and Stage 2 complaints received by the Council from 01 April 2024 to 31 December 2024.

5. FSAG ANNUAL TREASURY MANAGEMENT REPORT (Pages 33 - 48)

This report provides Audit & Scrutiny Committee with an update on the work undertaken by Financial Strategy Advisory Group with respect to the Council's Treasury Management activity over the past 12 months.

6. REGULATION OF INVESTIGATORY POWERS ACT (2000) ANNUAL REPORT (Pages 49 - 86)

To report on the Council's activities relating to surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA) for 2024.

7. AUDIT & SCRUTINY COMMITTEE ANNUAL REPORT 2024-2025 (Pages 87 - 96)

This report presents the Annual Report of the Audit and Scrutiny Committee 2024-2025 in accordance with the requirement of Paragraph 7.2 of Annex 4.6 of the Council's Operating Framework. It covers the work of the Committee between March 2024 and February 2025, and following agreement by the Committee, will be submitted to the next available agenda for Full Council.

8. PERFORMANCE AND RISK REPORT – MARCH 2025 (Pages 97 - 154)

The appendix to this report provides an overview of the council's performance with respect to its 2024-25 annual plan objectives, key performance indicators, corporate risks, committee risks, and annual governance statement actions.

9. WORK PROGRAMME - MARCH 2025 (Pages 155 - 160)

This report presents the Committee with its annual Work Programme.

10. INTERNAL AUDIT PLAN 2025/26 AND INTERNAL AUDIT CHARTER (Pages 161 - 200)

This report provides the Audit & Scrutiny Committee with the Internal Audit Charter 2025/26 and the Internal Audit Plan for 2025/26 (Q1/2).

11. EXCLUSION OF THE PRESS AND PUBLIC (Pages 201 - 202)

Under Section 100(A)(4) of the Local Government Act 1972, the Committee may pass a resolution to exclude the public from the Meeting for Part Two of the Agenda on the grounds that the business involves 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 outweighs the public interest in disclosing the information.

12. INTERNAL AUDIT PROGRESS REPORT (Pages 203 - 220)

The purpose of this report is to provide an overview of internal audit activity against the assurance work completed in accordance with the approved audit plan (2024-25) and to provide an overview of the outstanding management actions.

Minutes of the Meeting of the AUDIT AND SCRUTINY COMMITTEE held at the Council Chamber, Epsom Town Hall on 6 February 2025

PRESENT -

Councillor Steven McCormick (Chair); Councillor Phil Neale (Vice-Chair); Councillors Chris Ames, James Lawrence, Jan Mason, Alex Coley, Graham Jones and Alan Williamson

In Attendance: Councillor Kate Chinn, Matt Dean (Representative of the Council's External Auditor (Grant Thornton)), Ghufuran Ahmed (Representative of the Council's External Auditor (Grant Thornton)), Natalie Jerams (Deputy Head of Partnership) (Southern Internal Audit Partnership (Internal Auditor)) (in attendance remotely) and Joanne Barrett (Audit Manager) (Southern Internal Audit Partnership (Internal Auditor)) (in attendance remotely)

Officers present: Peter Sebastian (Director of Corporate Services (S151)), Andrew Bircher (Assistant Director of Corporate Services), Alex Awoyomi (Principal Solicitor), Sue Emmons (Chief Accountant), Will Mace (Business Assurance Manager), Oliver Nelson (Public Protection Manager) and Phoebe Batchelor (Democratic Services Officer)

35 AGENDA ORDER CHANGE

The Chair proposed that the order of the agenda was amended to allow the Internal Audit and External Audit reports to be considered together.

The Chair proposed that the External Audit report was dealt with after both Internal Audit reports.

Members suggested that the External Audit report was dealt with after the Implementation of the Global Internal Audit Standards report but before the Internal Audit: Progress Report. This was agreed.

The following order was therefore observed:

- 1 – Questions and Statements from the Public
- 2 – Declarations of Interest
- 3 – Minutes of the Previous Meeting
- 4 – Capital Budget Monitoring – Quarter 3
- 5 – Revenue Budget Monitoring – Quarter 3

- 6 – Annual Report Community Safety Partnership
- 7 – Equality and Diversity (inc. modern slavery) Annual Report 2024-25
- 8 – Performance and Risk Report – February 2025
- 9 – Work Programme – February 2025
- 10 – Implementation of the Global Internal Audit Standards
- 11 – External Audit Update
- 12 – Internal Audit: Progress Report – February 2025
- 13 – Exclusion of the Press and Public

36 QUESTIONS AND STATEMENTS FROM THE PUBLIC

No questions or statements were received from Members of the Public.

37 DECLARATIONS OF INTEREST

The Chair declared that they sit on the Community Safety Partnership as a Surrey County Councillor. The Chair stated that this did not prejudice them in any way. This is relevant to agenda item 7, the Annual Report on the Community Safety Partnership.

No other declaration of any Disclosable Pecuniary Interest or other registrable or non-registrable interests were declared by Members with respect to any item to be considered at the meeting.

38 MINUTES OF THE PREVIOUS MEETING

The Committee confirmed as a true record the Public Minutes of the Meeting of the Committee held on **14 November 2024** and authorised the Chair to sign them.

39 CAPITAL BUDGET MONITORING - QUARTER 3

The Committee received a report presenting the Capital Monitoring position at Quarter 3 for the current financial year 2024/25.

The following matters were considered:

- a) **Disabled Facilities Grant.** A Member of the Committee asked why disabled facilities grants are put in with the capital programme, as it isn't the most reflective way of showing how much money the Council has available. The Director of Corporate Services (S151) responded to explain that the table set out in paragraph 4.1 shows the financing of the capital programme, the total of £6.9m has the £1.7m disabled facilities grant in there, and the other sources are broken down in the table as well. The

Director of Corporate Services (S151) offered to show the financing of the capital programme both with and without DFG in the future. The Director of Corporate Services (S151) explained that page 15 shows details of what we've got against and what we've spent of the DFG. There is £1.7m approved budget. The Council has spent, up to the end of quarter three, just over £1m, and is forecasting for the year end as a whole to spend £1.4m, meaning there is £300,000 to be carried forward to be spent on DFG expenditure in the next financial year.

- b) **Deficit.** A Member of the Committee raised that the five-year programme shows a rolling deficit when you take out DFG. The Member asked for clarification as to how that deficit will be funded. The Member highlighted that the capital programme has a running deficit that is propped up on the budget sheet by DFG. The Director of Corporate Services (S151) clarified that for the quarter three report, the finance team have split out the funding sources. The Director of Corporate Services (S151) noted that the 25/26 Budget will go to Full Council next week, and that the projects are fully funded. The Director of Corporate Services (S151) explained that it isn't just the capital budget where the Council will a forecast deficit for 26/27, and informed the Committee that this is partly due to the fact that we forecast for the worst case and then hope that additional income comes and then this will be considered during budget setting for 26/27.

Following consideration, the Committee unanimously resolved to:

- (1) **Receive the Capital Monitoring position at Quarter 3, as set out in the report:**
- (2) **Note the progress of Capital projects as set out in Appendix 1.**

40 REVENUE BUDGET MONITORING - QUARTER 3

The Committee received a report presenting the forecast revenue outturn position for the current financial year 2024/25, as at Quarter 3 (31 December).

The following matters were considered:

- a) **Nightly paid accommodation.** A Member of the Committee raised their concern with the rise in spend on nightly paid accommodation and implored the Council to get a grip on the situation quickly. The Member raised that the borough does not have enough long-term affordable housing. The Member invited the Director of Corporate Services (S151) to comment. The Chair informed the Committee that the Community and Wellbeing Committee are progressing their Homelessness Strategy and suggested that an update or assurance could be requested of the Chair of C&W to provide further information on the situation. The Director of Corporate Services (S151) explained that the forecast overspend for the year, of £475,000, was flagged in quarter two and remains the same in quarter three. The Director of Corporate Services (S151) noted the pressure, and informed the Committee that it is carrying on at the same

level as before, not increasing. The Director of Corporate Services (S151) raised that provision of housing is a matter for the capital programme and the available resources within that.

Following consideration, the Committee unanimously resolved to:

- (1) Receive the revenue budget monitoring report, which sets-out a projected deficit of £230,000 for 2024/25;**
- (2) Note that the forecast includes an adverse variance of £475,000 within Homelessness and that regular reports will continue to be prepared for Community & Wellbeing Committee to update members on progress against the Homelessness Strategy and Action Plan;**
- (3) Note that the final outturn position will be reported to Strategy & Resources Committee in July 2025, then to this committee alongside the Statement of Accounts in autumn.**

41 ANNUAL REPORT COMMUNITY SAFETY PARTNERSHIP

The Committee received a report providing an update on the work of the Epsom and Ewell Community Safety Partnership.

The Chair declared that they sit on the Community Safety Partnership as a Surrey County Councillor. The Chair stated that this did not prejudice them in any way.

The following matters were considered:

- a) **Domestic Homicide Review.** A Member of the Committee asked if there have been any more domestic homicide reviews since the Epsom College incident and if so when the outcome would be available and what impact this would have on the finances of the CSP. The Public Protection Manager explained that there is a further domestic homicide review in the system, that is at a fairly advanced stage, and the outcome is expected at the next CSP executive meeting, and a decision will be made whether to send that on to the Home Office for evaluation. The Public Protection Manager informed the Committee that they are now called domestic abuse related death reviews, to reflect the fact that we are dealing with domestic abuse in these cases. The Public Protection Manager explained that the funding comes from the Community Safety reserve. The Council, on behalf of the CSP, pay into a pooled countywide budget, and from that gets a coordination resource and independent chairs to carry out the domestic homicide reviews.

Following consideration, the Committee unanimously resolved to:

- (1) Note and comment on the work of the Epsom and Ewell Community Safety Partnership (CSP).**

42 EQUALITY AND DIVERSITY (INC. MODERN SLAVERY) ANNUAL REPORT 2024-25

The Committee received a report summarising the activities undertaken in 2024-2025 by the Council to progress its Diversity, Equity and Inclusion Framework. The Framework includes three thematic objectives that demonstrate how the Council is meeting its responsibilities under the public sector equality duty.

The following matters were considered:

- a) **Epsom and Ewell Refugee Network.** A Member of the Committee raised that they provided a question in advance of the meeting, in respect to the funding of the Epsom and Ewell Refugee Network. The Chair noted that the question has been received and passed to the relevant officer and a written response would be provided and shared with all Committee Members. The Member asked what confidence EERN can have that their funding will be secure going forwards. The Assistant Director of Corporate Services explained that in the past the Council has had grant funding, however given changing circumstances in both Ukraine and Afghanistan, there is uncertainty as to whether that grant funding is going to continue. The Assistant Director of Corporate Services agreed that a written response could be provided after the meeting.
- b) **Website Accessibility.** A Member of the Committee noted the work of EEBC to ensure the website is accessibility compliant and highlighted the commitment and achievement for a smaller Council to accomplish this, over much bigger Councils who are not compliant.
- c) **Housing and Homelessness.** A Member of the Committee commended Council staff who have achieved 41 successful preventions from homelessness over the last quarter. The Member highlighted two bullet points in paragraph E on page 135, the first being that only one new property has been taken on last April, and the second being a landlord forum set up in September, was well attended to promote the private sector leasing scheme and rent deposit scheme. The Member asked if we are moving quickly enough to develop private sector leasing, and what was the further outcome from the landlord forum in September. The Assistant Director of Corporate Services stated the question does not relate to the DEI report. The Assistant Director of Corporate Services explained that one of the reasons why the report is taking about private sector leasing and homelessness is because one of the things that the Council is trying to do, is to tackle health inequalities and socioeconomic deprivation in the borough, so an important step is trying to get more stable housing for people who are at risk of homelessness. Therefore, it is mentioned in the report to reflect the progress in that area. The Chair informed the Member that the questions could be asked of the Community & Wellbeing Committee and a response shared with Members.

Following consideration, the Committee unanimously resolved to:

(1) **Note and comment on the activities undertaken in 2024-2025 by the Council to progress our Diversity, Equity and Inclusion Framework (Appendix 1).**

43 PERFORMANCE AND RISK REPORT – FEBRUARY 2025

The appendix to this report provided an overview of the council's performance with respect to its 2024-25 annual plan objectives, key performance indicators, corporate risks, committee risks, and annual governance statement actions.

The following matters were considered:

- a) **Future of Town Hall Site.** A Member of the Committee raised that on page 154 the commentary stated that slippage is due to consideration of Member Briefing feedback, and it's been incorporated into the stage two works. The Member asked what specific feedback or general concern was raised that was severe enough to cause a slippage. The Assistant Director of Corporate Services informed the Committee that alternative options, that hadn't been fully explored, were raised by Members and involved going back to consultants to ask for an additional piece of work which caused a slippage in the timescales.
- b) **Property Strategy.** A Member of the Committee asked if we don't have a property strategy, because it is covered by other existing documents, but then the other documents that are referenced in the current version of the Strategy are out of date or can't be relied upon, when is the work going to be done to produce a property strategy or to update existing documents. The Chair noted the questions and agreed to raise them with the relevant officers outside of the meeting and provide a response to all Committee Members. The Member flagged the auditors' comments on transparency issues within the Council and expressed their discontent with not getting a response to their question at the Committee Meeting. The Chair noted the comments.
- c) **Recycling Rates.** A Member of the Committee raised that on page 166, the recycling rate does not have a target and queried why that is. The Business Assurance Manager confirmed that this is being followed up with the relevant team and a response will be provided to Committee Members.
- d) **Planning Enforcement.** A Member of the Committee asked why there has been such a severe reduction from the inherent risk to the residual risk on planning enforcement. The Member raised that from their experience there has been no change to the reputation of the Council when it comes to planning enforcement, and they flagged that just because there is a gradual reduction in outstanding enforcement numbers, does not mean that enforcement is happening, it just means there are fewer case numbers. The Chair informed Members that internal audit provided a no assurance opinion for planning enforcement, and all

the subsequent management actions have since been completed, and another internal audit review of planning enforcement is in progress currently. The Chair assured the Member that the question can be asked to the relevant officer and a response provided to all Committee Members.

- e) **Retired risks.** A Member of the Committee raised that the spatial strategy and SCC transport assessment risks are both being retired. The Member stated that there is now the risk of the inspector rejecting the local plan, which would lead to delays in adopting it. The Member asked if this risk had been considered and invited comments. The Chair informed the Committee that the risk raised could be fed back to the relevant team for them to consider, or to get their comments on it if they have considered it. The Assistant Director of Corporate Services explained that the risks are considered by the relevant officers and policy chairs and vice chairs on a monthly basis, so if the risk suggested is considered and added, it will be reflected in the next iteration of the risk register. The Chair suggested the risk is raised to the Chair of the Licensing and Planning Policy Committee for their consideration.
- f) **Section 24 directive.** A Member of the Committee raised that there is nothing in the risk registers about a section 24 directive and queried why. The Chair explained that there is not anything currently in the risk register regarding a section 24 directive, as the information on Local Government Reorganisation has come out so recently, however it would be considered and put on the risk register in due course. The Director of Corporate Services (S151) echoed the comments of the Chair and explained that in order to determine the impact, there needed to be more information available regarding the timescales, and confirmed that once that is available, the risk will be added.

Following consideration, the Committee unanimously resolved to:

- (1) **Note and comment on the performance and risk information located at Appendix 1.**

44 WORK PROGRAMME - FEBRUARY 2025

The Committee received a report presenting its annual Work Programme.

The following matters were considered:

- a) **Governance and Scrutiny.** A Member of the Committee asked if there is any update from officers, regarding the role of the Committee in conducting scrutiny work and investigating services and performance, that had been raised at the previous meeting. The Chair informed the Member that this would be followed up on and a response provided to all Committee Members.

- b) **Time and Resource.** A Member raised that if the Committee is to deal with both Audit and Scrutiny, then there must be time and resource made available to do so. The Chair noted the comments.
- c) **LGO and ICO updates.** A Member of the Committee asked why the LGO and ICO update report was crossed out on the work programme for the February 6th Meeting. The Assistant Director of Corporate Services explained that the Committee agreed that the report would only come to the meeting when there were updates to share, as there are no updates to share, it has not been brought to the February 6th meeting.

Following consideration, the Committee unanimously resolved to:

- (1) **Note and agree the ongoing Work Programme as presented in Section 2.**

45 IMPLEMENTATION OF THE GLOBAL INTERNAL AUDIT STANDARDS

The Committee received a report providing an overview of the new Global Internal Audit Standards, to which public sector internal audit functions will have to comply from 1 April 2025.

Following consideration, the Committee unanimously resolved to:

- (1) **Note the pending implementation of the Global Internal Audit Standards.**
- (2) **Note the engagement required by Members of the committee with SIAP to contribute to the development of key requirements of the GIAS including the Internal Audit Strategy and key performance measures.**

46 EXTERNAL AUDIT UPDATE

The Committee received a report presenting the 2023/24 Statement of Accounts, Grant Thornton's Audit Findings Report, letter of representation and the Auditor's Annual Report following the External Audit.

Councillor Kate Chinn provided a verbal statement to the Committee.

The following matters were considered:

- a) **Thanks.** The Director of Corporate Services (S151) expressed their thanks to the finance team and congratulations on all their hard work.
- b) **Governance and Transparency.** A Member of the Committee raised that the external audit report appears broadly favourable and that is a credit to the officers who contributed. The Member highlighted that the one area of concern regarding governance and transparency and explained that from their experience this pertains to culture and not performance of the

Council. The Member invited officers to comment on the area and the future given impending Local Government Reorganisation. The Chair noted the comment and suggested a response could be provided to Committee Members following the meeting.

- c) **Subsidiary Company.** A Member of the Committee raised that item IR 6 on page 25, talks about the activities of the Council's subsidiary company, and if it should ever expand, for example, through the acquisition of more properties, recruiting independent board members is something the Council should consider. The Member highlighted that the management action stated that there is no current intention to expand the activity of the Council's subsidiary company, and if it were to happen, consideration would be given to review the current board and the appointment of independent members. The Member stated that the Council has declared its option to borrow further and expressed this might mean spending a lot more money on property, which would likely impact EEPIC, therefore, will the Council be appointing an independent member to the board as recommended in the report. The Director of Corporate Services (S151) informed the Committee that the recommendation has been taken on board and explained the 25/26 budget talks about agreeing the Council's borrowing limits, as opposed to actually taking out the borrowing. The Member stated that by raising the borrowing limits, it is indicating that the Council intends to spend the additional borrowing the Council could be afforded. The Director of Corporate Services (S151) agreed that if the borrowing was to actually take place, there would be a move to put in the capacity described. The Chief Accountant explained that there was no change in the proposed borrowing limit compared with previous years, therefore limits were not being raise. If the Council were to borrow the money, it would have no impact on EEPIC as the potential borrowing is for the Council-owned property, not EEPIC-owned, therefore EEPIC would remain with the same assets as currently.
- d) **Management Response.** A Member of the Committee raised concerns regarding the management response on page 90 of the appendix 2 report. The Member expressed dissatisfaction with the response from the Strategic Leadership Team and explained that they did not have a positive experience with transparency at the Council. The Chair noted the comment and invited the Member to provide further information on any queries so they could be progressed following the meeting.
- e) **Questions.** A Member of the Committee expressed their discontent that questions submitted in advance to Strategy and Resources Committee and responses provided, were not circulated to all Committee Members. The Chair noted the comment.
- f) **Rubberstamp Committee.** A Member of the Committee thanked the External Auditors for their report. The Member continued to ask if the Committee are being asked to rubberstamp the response provided by the Strategic Leadership Team. The Member expressed their disappointment that the management response does not acknowledge the issue raised by

the external auditors. The Chair confirmed that the Committee are being asked to agree the management actions as set out in recommendation 3 and 6. The Director of Corporate Services (S151) explained that the characterisation of the response of the Strategic Leadership Team, is not accurate. The Director of Corporate Services (S151) expressed that the Strategic Leadership Team acknowledge the recommendation and take it on board and fully understand the need for transparency and appreciate there is more work to be done to provide that as much as possible. The Member pointed out that the management response does not provide any actions to be taken to provide further transparency, despite the fact other management responses do set out actions to be taken to achieve the recommendations of the External Auditors. The Member stated they would be unable to support the management action as written. The Member asked the representative from the Council's External Auditor if they have made evidenced recommendations before and had them dismissed by the Council's senior leadership. The representative from the Council's External Auditor confirmed that key recommendations on significant weaknesses are somewhat common and acknowledged that a review of the management's response will take place over the course of the next audit cycle and that will form an assessment which will be put in front of the Committee to discuss. The External Auditor confirmed that they would take that issue forward into their work for the 24/25 audit and will be able to share if sufficient work has happened to address the issue raised. The Chair informed the Committee that they could vote against the recommendations on the management actions, if they see fit.

- g) **Town Hall Move.** A Member of the Committee raised that the recommendation in the report states that Members should be kept up to date with the progress of the Town Hall Move project. The Member expressed that they do not feel this is being adequately done at the moment and they would not consider themselves kept up to date with the progress of the project. The Chair noted the comments.
- h) **Contract Standing Orders and Procurement.** A Member of the Committee raised that the recommendation in the report states that Contract exception should be reported to Audit and Scrutiny annually to increase transparency on procurement arrangements. The Member asked why there is not an action listed to bring that information to the A&S Committee on the recommendation of the external auditors. The Member asked for assurance from the Strategic Leadership Team that specific actions and responses to the recommendations of the external auditors could be provided. Another Member expressed their disappointed that the management response did not agree to take the report to A&S Committee. The Chair noted the comments.
- i) **Management actions.** The Vice Chair asked if it caused issues for the signing off of the external audit if the Committee did not agree recommendations 3 and 6. The Chair informed the Committee that all recommendations would be voted on separately. The Assistant Director of Corporate Services asked Finance Officers if there is a time constraint on

when everything needs to be signed off by the Committee. The External Auditor explained that the accounts need to be signed off by the 28 of February. The External Auditor raised that if there is an issue with management responses, it could be dealt with outside of the Committee Meeting. The Chair invited Committee Members to raise how they would like to proceed. A Member of the Committee raised that they would like the Strategic Leadership Team to review the management responses and take into account the comments raised at the Meeting.

- j) **Receiving documents.** A Member of the Committee asked for comments as to why there were instances of slow responses and difficulty getting documents to the external auditors. The Chair noted the comments and informed the Committee that a response would be provided following the meeting.

Councillor Alex Coley proposed that recommendation 3 and 6 were sent back to the Strategic Leadership Team, to take into account the comments of the Audit and Scrutiny Committee on the management actions and responses to the External Audit findings and report.

This proposal was seconded by Councillor Alan Williamson.

The proposal was agreed (7 for, and the Chair not voting).

Recommendation 3 and 6 were removed and not voted on by the Committee;

(3) Agree the management action in response to the audit recommendations detailed at Appendix A of the Audit Findings report;

(6) Agree the management actions in response to the recommendations in the Auditor's Annual Report (VfM).

Following consideration, the Committee unanimously resolved to:

- (1) Approve the Statement of Accounts for the year ended 31 March 2024;**
- (2) Receive the Audit Findings for 2023/24;**
- (4) Authorise and agree that the Chair or Vice Chair of Audit and Scrutiny Committee and the Chief Finance Officer sign the Statement of Accounts and Letter of Representation on behalf of the Council;**
- (5) Nominate and authorise the Chief Finance Officer, in consultation with the Chair or Vice Chair of Audit & Scrutiny Committee, to make any further amendments to the 2023/24 Statement of Accounts;**

47 INTERNAL AUDIT: PROGRESS REPORT - FEBRUARY 2025

The Committee received a report summarising progress against the Internal Audit Plan 2024-2025.

The following matters were considered:

- a) **Part II.** A Member of the Committee asked if the meeting was now in Part II. The Chair explained that the meeting was not in Part II. The Member asked if the term Part II was being used consistently and queried if there was a collective understanding of what it meant. The Chair informed the Member that they would be aware if the meeting was in Part II as the Committee would have to vote to enter Part II and the meeting would no longer be public. The Deputy Monitoring Officer and Principal Solicitor explained what Part II meant and informed the Committee that the meeting did not need to go into Part II unless there were questions pertaining to Appendix 2.
- b) **Access.** A Member of the Committee raised that they had been unable to access the Part II document. The Chair asked Members to raise any issues with accessing documents prior to the Committee Meeting. The Chair requested that at future meetings, a hard copy of any Part II document was accessible to Members. Democratic Services confirmed this would be the case going forward.
- c) **Planning Enforcement.** A Member of the Committee asked for an internal audit item on planning enforcement to be prioritised. The Chair explained that there needed to be sufficient time for management actions to be enacted before a follow up review could commence. The Internal Auditor explained that the previous review of planning enforcement concluded in February 2024, and there were 15 management actions identified. The Internal Auditor informed the Committee that all 15 management actions have now been fully implemented by Officers. The Internal Auditor explained the review is taking place during quarter 4 and will be included in the 24/25 internal audit opinion which will come to the July A&S Committee Meeting. The Internal Auditor explained that if the report and review are finalised before March, then they will be included in the March internal audit progress report.
- d) **Food Safety.** A Member of the Committee asked if there are any immediate management actions that are scheduled to happen to address the no assurance opinion on food safety. The Public Protection Manager explained that there are management actions in place that are fairly well advanced and will come to A&S Committee for monitoring. The Public Protection Manager informed the Committee that the service was in a much better position than it had been back in the summer. The Public Protection Manager explained that the situation developed through competition with other statutory duties that the team deals with. The Public Protection Manager directed Members to a report that went to Environment Committee in October 2024 which addressed the topic.

Following consideration, the Committee unanimously resolved to:

- (1) **Note the internal audit progress report 2024-2025 from Southern Internal Audit Partnership (SIAP) attached at Appendix 1.**

The meeting began at 7.30 pm and ended at 9.39 pm

COUNCILLOR STEVEN MCCORMICK (CHAIR)

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COMPLAINTS REPORT APRIL 2024 - DECEMBER 2024

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Kersty Wood, Kush Chatrath
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 – Tables of statistics

Summary

This report details Stage 1 and Stage 2 complaints received by the Council from 01 April 2024 to 31 December 2024

Recommendation (s)

The Committee is asked to:

- (1) **Note the contents of the report covering all complaints received by the Council between 01 April 2024 – 31 December 2024**

1 Reason for Recommendation

- 1.1 To bring to the attention of the Committee all complaints received between April 2024 – December 2024 and to advise of any actions taken and lessons learned.

2 Background

- 2.1 A complaint is defined as an expression of dissatisfaction about something we said we would do and didn't, or a poor standard of service. This could either be by us, or a contractor acting on our behalf.
- 2.2 A complaint is not a request for service (e.g., noise problems) or a request for information or an explanation of our policy (e.g. level of Council Tax set). As an example, a one-off missed bin collection would result in a missed bin service request, however, repeated misses of the same bin at the same address would be logged as a complaint.

- 2.3 In areas where there are independent tribunals for decisions to be referred to, for example, planning application outcomes, housing review applications and Penalty Charge Notices, these matters will be dealt with by the appropriate independent body and will therefore not fall within the Council's two-stage complaint process.
- 2.4 The council has 15 working days to respond to stage 1 complaints and 15 working days to respond to a stage 2 complaint. If a Stage 1 complaint is not responded to within timescales, the complainant can request escalation to Stage 2 without the Stage 1 response being completed.
- 2.5 The timeline for completion for stage 2 complaints has been extended to 20 working days from January 2025, this is in line with the Local Government & Social Care Ombudsman's new Complaint Handling code. Updates to the Complaint Policy and staff training have been completed to reflect this change.
- 2.6 Complaints fall under three main categories which are: service delivery, staff behaviour/conduct and policy.
- 2.7 Staff within service areas deal with their own complaints with the support of Customer Services, although there are instances where Customer Services will respond to complaints on behalf of a service area if they have the relevant information.
- 2.8 Once a complaint has been through the two-stage Council complaint process and the complainant is still unsatisfied, they are able to refer their complaint to the Local Government & Social Care Ombudsman (LGSCO). This information is always included in the response to the complainant so that they are aware.
- 2.9 Complaints provide the Council with a good opportunity to review the decisions they have made and the service they have provided. Findings in complaint outcomes can be used to bring about service improvement through identifying and sharing lessons learned across all service areas.
- 2.10 Customer Services also work with managers to understand how they are learning from these complaints and how they are communicating complaint outcomes back to the staff, and if necessary, making changes to processes and procedures

3 Complaints Received between 01 April 2024 – 31 December 2024

- 3.1 Appendix 1 contains four tables of statistics which are explained below.
- 3.2 Table 1 shows the total number of complaints broken down by service area and complaint stage, received between April 2024 and December 2024.

- 3.3 Tables 2.1 and 2.2 show the number of complaints broken down by service area team and complaint stage between April 2024 and December 2024.
- 3.4 Table 3 shows the number of complaints by service area responded to inside and out of time at both stage one and stage two between April 2024 and December 2024.
- 3.5 Table 4 shows the number of complaints upheld and not upheld by service area responded to between April 2024 and December 2024.

4 Operational Services

- 4.1 Due to the volume of work completed by Operational Services (approximately 500,000 collections per month), they often receive the highest number of complaints. The Customer Services team therefore provide additional support and collaborate with Operational Services when responding to complaints. This differs to other service areas who generally respond to their own complaints.
- 4.2 Although Operational Services receive a higher number of complaints when compared with other service areas, they have seen a year-on-year reduction in the percentage share of complaints received in total. Between 01 April 2024 – 31 December 2024, Operational services were responsible for 57% of all complaints received, which is a reduction of 19.5% when compared with the same period last year.
- 4.3 The main reasons for these complaints were missed collections, bins not being set back properly, poor service received and staff behaviour. The complaint category split is service delivery failure 90%, staff behaviour/conduct 9%, and 1% policy failure. The 2023 figures followed a similar pattern with Service delivery failure being the main reason at 86% Staff behaviour/conduct at 13% and Policy failure at 1 %.
- 4.4 The upheld vs not upheld percentage rates for stage 1 and 2 complaints show that the stage 1 figures are very similar YOY. In 2023 82% were upheld and 17% were not upheld, whereas in 2024 78% were upheld and 19% not upheld. The stage 2 percentages have changed with a much lower percentage being upheld compared to last year. This reduction in upheld complaints shows that whilst complaints are received by the Council, there have been fewer findings of fault which could suggest that existing policies and procedures are being followed.
- 4.5 Stage 1 complaints have seen a similar in-time response timescale when compared with the same period last year, however, there has been an increased number of stage 2 complaint responses exceeding the 15 working day timescale, when compared with the same period last year.
- 4.6 A low percentage of stage 1 complaints escalated to stage 2, (8%), this indicates that generally complainants are satisfied with the outcome of their stage 1 complaint.

- 4.7 An example of a lesson learnt in refuse and recycling is when a complaint was received regarding a missed collection and the need for the resident to put excess in clear sacks to be collected later. The resident contacted the Council where it became apparent that the website mentioned different things on different pages regarding excess rubbish, and it wasn't clear for the customer or our customer services team. The clear sacks that the customer was told to use are harder to come by with most people using black sacks. Customer services gave this feedback to Operational services, who agreed to update the website and their policy to make it clear and to advise that black sacks could be used for excess.

5 Housing & Communities

- 5.1 Housing and Communities received the second highest number of complaints within the Council, which follows from the same period last year.
- 5.2 Housing and Parking are both areas within which high tension situations between Officers and the Public can arise. For example, the issuing of a Penalty Charge Notice in a Council Car Park, or the Council's refusal to house a member of public. In situations such as these, the complaint can be unfairly made against the individual member of staff, rather than the policy or process not being followed.
- 5.3 The total number of complaints received across both stages has seen a 7% increase when compared with the same period last year, going from 13% in 2023 to 20% in 2024.
- 5.4 In addition to the increase in the number of complaints, the total number of upheld complaints is 60% at stage 1 and 33% at stage 2, compared to the previous year when it was 45% for stage 1, and 14% for stage 2. This increase in upheld complaints shows that there have been more findings of fault which could suggest that existing policies and procedures are not being followed.
- 5.5 There was also a reduction in the number of complaints not upheld for both stages from 51% and 86% last year to 37% and 67% this year.
- 5.6 A fair amount of the increase in complaint numbers for Housing and Communities can be attributed to the increase in car park charges that were introduced in April 2024, as well as other car park/parking matters. These attracted many stage 1 complaints, accounting for 81% of the service areas' overall complaints.
- 5.7 Regarding stage 1 complaints 64% of these were responded to in time, with 36% out of time. Of the Stage 2 complaints received, none were responded to on time. Stage 1 response times follow a similar pattern to last year, whereas we saw more stage 2 complaints responded to on time last year.

- 5.8 The complaint category split this year is as follows; service delivery failure 30%, Staff behaviour/conduct 28% (both increased y-o-y) and Policy failure 38% (reduced), compared to 2023, where it was Service delivery failure 51%, staff behaviour/conduct 43% and Policy failure 6%. Apart from the car park charges issue, the main other reasons for their complaints were staff conduct (mainly in the car parks) and delays in processes.
- 5.9 A low percentage of stage 1 complaints escalated to stage 2, (7%) which would indicate that generally complainants are satisfied with the outcome of their stage 1 complaint.
- 5.10 An example of a lesson learned through complaints is the fee increases made in April 2024 which attracted a high number of complaints. Upon review and taking customer feedback on board, a decision was made to reduce this new £7 fee down to £5, meaning the increase was only from £3 to £5. There were no further complaints regarding this.

6 Place Development

- 6.1 It is worth noting that a complaint cannot be made about a planning application decision. The applicant should appeal directly to the Planning Inspectorate regarding the decision. Similarly, Planning Enforcement complaints are also dealt with separately and work to the process set out in the Council's "Planning Enforcement Plan".
- 6.2 Complaints regarding the service provided by the Planning/Enforcement staff, the process they have followed, or policy failures will be accepted by the Council.
- 6.3 This service area has seen an increase in the number of complaints when compared with the same period last year, increasing from 6% of the organisations total complaints last year to 15% this year. Much of this increase can be attributed to a specific Planning Committee meeting held in April 2024.
- 6.4 Between 01 April 24 and 31 December 24 only 9% of stage 1 complaints were upheld and 5% of stage 2 complaints upheld, compared to 2023 where 35% of stage 1 were upheld and none of the stage 2.
- 6.5 In addition to the increased number of complaints, we have seen a small reduction in the number of stage 1 complaints responded to within timescales, with 36% in 2024 compared with the same period last year which was 40%. There have been several detailed complaints received which do require additional time and consideration, which may explain the drop in stage 1 complaints being responded to on time. In terms of the stage 2 response time, we have seen a good increase in the number responded to in time this year which was 45% compared to 2023 where it was 14%.

- 6.6 A high percentage of stage 1 complaints escalated to stage 2, (48%) which would indicate that complainants were not happy with the outcome of their stage 1 complaint.
- 6.7 The complaint category split this year is service delivery failure 87%, staff behaviour/conduct 7% and policy failure 4%, compared to last year when it was; service delivery failure 75%, staff behaviour/conduct 5% and Policy failure 20%. As well as the number of complaints regarding the conduct at a planning committee, the main other reason for their complaints was poor service received
- 6.8 An example of a lesson learnt for this area is where a complaint was made regarding an application which was determined prior to the conclusion of the site notice time-period. The outcome was that the application should not have been determined at the time that it was. Case officers have been reminded that they are accountable for adhering to site-notice time periods, and a new procedure has now been created in Uniform for recording the placement of site notices.

7 Policy & Corporate Resources

- 7.1 Complaint numbers remain low for this service area, although there has been an increase in complaint numbers received from 8 in 2023 to 12 in 2024.
- 7.2 The number of complaints upheld at both stage 1 and stage 2 have increased. At stage 1, 73% were upheld and 27% were not upheld. At stage 2, it was 100% upheld. Last year this was, stage 1, 33% upheld, 67% not upheld and at stage 2 100% not upheld.
- 7.3 The complaint category split for this year is service delivery failure 100% and last year was service delivery failure 66%, staff behaviour/conduct 17% and policy failure 17%. The main reasons for the complaints here range from not responding to queries within agreed timescales and longer call waiting times during busy periods.
- 7.4 The percentage of stage 1 complaints responded to on time is slightly less when compared to the same period last year, from 83% in 2023 to 73% in 2024. The single stage 2 complaint received this year was responded to on time.
- 7.5 A fairly low percentage of stage 1 complaints escalated to stage 2, (8%) which would indicate that generally complainants were happy with the outcome of their stage 1 complaint.

- 7.6 An example of a lesson learnt from the Contact Centre team is when a resident called and had to subsequently call back several times due to being given incorrect information more than once. He eventually spoke to an advisor regarding his PCN appeal and permit, and obtained the correct information, but was unhappy about the number of times he had contacted us. The action from this was that the supervisors made sure all agents understood the correct process for handing PCN appeals and renewal payments for permits, and a reminder that they can contact the parking team with any questions. The offer of additional training was also made and taken up by several agents.

8 Legal, Democratic & Election Services

- 8.1 This service area only received one complaint last year in the same period. This year in the same period, they saw an increase in complaint numbers to 5.
- 8.2 One of these five complaints (20%) was responded to within agreed timescales, 3 complaints were not upheld, and 2 complaints were withdrawn. The complaints were regarding poor service received and administrative errors.

9 Finance, Revenues & Benefits

- 9.1 Finance, Revenues & Benefits services received an increased number of complaints during this period, increasing from 5 in 2023 to 19 in 2024.
- 9.2 This year the complaint category split was 88% service delivery failure and 12% staff behaviour/conduct, compared to last year when it was 80% service delivery failure, 0% staff behaviour/conduct and 20% policy failure. The main reasons for their complaints were that; customers were unhappy with the poor service received from Council Tax and Benefit officers; that unsatisfactory written communication was received and there were errors in admin and information given.
- 9.3 A small number of cases (25%) were upheld at stage 1, which is similar to last year, where at stage 1, 20% were upheld and 80% were not upheld. There were no stage 2 cases in the same period last year. There were only 3 stage 2 cases this year and none were upheld. For this year 69% of stage 1 complaints were responded to on time, and 33% of stage 2. Compared to last year where 80% were responded to on time and 20% out of time
- 9.4 19% of stage 1 complaints escalated to stage 2, which would indicate that generally complainants were satisfied with the outcome of their stage 1 complaint.

- 9.5 An example of a lesson learned here was when a customer had their Single Person Discount (SPD) removed and backdated from 2022 following a fraud initiative. As the resident paid by Direct Debit, this produced a large and immediately due instalment which was unreasonable. The customer complained to the Council about this, and the lesson learnt was a refreshed procedure whereby an officer would contact the customer in these types of situations, suspend the Direct Debit and discuss manageable payment options. A meeting was held for the billing team who carry out these reviews, to enable them to all understand and confirm the correct process going forward.

10 Property & Regeneration

- 10.1 This team received two complaints this year compared to none last year, they were stage 1 only and one was completed in time and one out. Both were upheld and the complaint category was service delivery failure for both. The complaints were regarding a wall at Bourne hall Car park and Nonsuch park toilets

11 ICT

- 11.1 This team received one complaint this year compared to none last year. The complaint was responded to in time, was upheld and the complaint category was service delivery failure. The complaint was regarding issues with one of the customer facing systems

12 Additional information

- 12.1 The Customer Services team have completed a series of projects including internal team training and complaint handling training for managers tasked with responding to complaints. Training included the provision of templates for managers to complete so that the Customer Services team have clarity on the complaint category, as well as a clear indication of whether or not the complaint is upheld. This ensures that the information recorded is accurate and ensures that the Customer is given all relevant information.
- 12.2 If service areas advise that there will be a delay in responding to the complaint, they are asked to provide a reason and a new timescale for completion, at which point the customer will be updated.
- 12.3 Written procedures have been reviewed and refreshed, and updates to the Complaint Policy have been made to bring the policy in line with the requirements of the new Local Government & Social Care Ombudsman's Complaint Handling Code.

- 12.4 A key change is the agreement to adopt the Ombudsman's suggested timescales for the completion of a stage 2 complaint, which will see timescales increased from 15 working days to 20 working days for a response. This was explained in training delivered to managers and is effective as of 01 January 2025. The Ombudsman's suggestion that stage 1 timescales should be 10 working days has not been adopted as this would reduce our current timescales. We are a small Authority and this would result in increased pressure for managers to respond. Stage 1 responses should be of a high quality as a result of a full and thorough investigation, with a view to trying to reduce or limit the number of escalations to stage 2. Reducing timescales may lessen the quality of responses at stage 1, therefore increasing the volume of stage 2 escalation requests.

13 Summary

- 13.1 We have spent time listening to our complainants and have taken action to make changes and learn from their complaints. Some examples of these have been given under the various service areas and include making changes to our website, procedures and policies.
- 13.2 Complaints have increased year-on-year, although there appears to be specific issues that have caused this, rather than a general increase in dissatisfaction. There has been a reduction in the number of complaints upheld in both stages of the complaint process when compared with last year. For both stage 1 and 2 complaints there were less completed on time than last year for the same period. The overall complaint category split for 2024 was Service delivery failure 78%, Staff behaviour/conduct 13% and Policy failure 8% compared to 2023 which was almost identical for Service delivery failure at 80%, Staff behaviour/conduct slightly higher at 17% and Policy failure lower at 3%.

14 Risk Assessment

Legal or other duties

- 14.1 Equality Impact Assessment
- 14.1.1 No direct implications
- 14.2 Crime & Disorder
- 14.2.1 No direct implications
- 14.3 Safeguarding
- 14.3.1 No direct implications
- 14.4 Dependencies
- 14.4.1 No direct implications

14.5 Other

14.5.1 None

15 Financial Implications

15.1 **Section 151 Officer's comments:** This report is for information and does not have any immediate financial implications. With regards to complaints, if upheld complaints result in costs, the Council will need to find this funding from existing budgets or reserves held to cover such unforeseen costs.

16 Legal Implications

16.1 **Legal Officer's comments:** None arising from the contents of this report

17 Policies, Plans & Partnerships

17.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council

17.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.

17.3 **Climate & Environmental Impact of recommendations:** No direct implications

17.4 **Sustainability Policy & Community Safety Implications:** No direct implications

17.5 **Partnerships:** No direct implications

18 Background papers

18.1 The documents referred to in compiling this report are as follows:

Previous reports:

- None

Other papers:

- None

Table 1

Service Area	Total Council Complaints (ALL stages)	Total Percentage Breakdown (ALL stages)	Stage 1	Stage 1 (%)	Stage 2	Stage 2 (%)
Operational Services	262	57%	242	92%	20	8%
Housing and Community	92	20%	86	93%	6	7%
Place Development	67	15%	45	67%	22	33%
Policy and Corporate	12	3%	11	92%	1	8%
Finance, Revenues & Benefits	19	5%	16	84%	3	16%
ICT	1	0%	1	100%	0	0%
Legal, Democratic & Election Services	5	1%	5	100%	0	0%
People and Organisational Development	0	0%	0	0%	0	0%
Property & Regeneration	2	0%	2	100%	0	0%
Totals:	460	100%	408	N/A	52	N/A

The table above shows total complaints by service area, further broken down into complaint stages between April 2024 and December 2024. The table below shows the same data for the same period last year.

Service Area	Total Council Complaints (ALL stages)	Total Percentage Breakdown (ALL stages)	Stage 1	Stage (1%)	Stage 2	Stage (2 %)
Operational Services	320	77%	294	92%	26	8%
Housing and Community	56	13%	49	88%	7	12%
Place Development	27	6%	20	74%	7	26%
Policy and Corporate	8	2%	6	75%	2	25%
Finance, revenues & Benefits	5	1%	5	100%	0	0
ICT	0	0%	0	0	0	0
Legal, Democratic & Election Services	2	1%	1	50%	1	50%
People and Organisational Development	0	0%	0	0	0	0
Property & Regeneration	0	0%	0	0	0	0
Totals:	418	100%	375	N/A	43	N/A

Table 2.1

Appendix 1 – Audit & Scrutiny, Complaint Report April 2024 to December 2024, Tables of statistics

APR - DEC 2024	Place Development				Policy & Corporate Resources		Legal, Democratic and Election Services		Financial Services			Property & Regeneration	IT
	Planning	Planning enforcement	Planning policy	Trees	Contact Centre	Business Support	Legal	Democratic Services	Council Tax	Benefits	Finance	Facilities	IT
Stage 1	39	6	0	0	9	2	2	3	15	1		2	1
Sub Total:	45				11		5		16			2	1
Stage 2	17	4	1		1				3			0	0
Sub Total:	22				1		0		3			0	0
Total:	67				12		5		19			2	1

Table 2.2

APR - DEC 2024	Operational Services								Housing & Communities				
	Refuse & Recycling	Grounds Maintenance	Venues	Streetcare	Mkts	Allot	Projects	Cemeteries	Environmental Health	Car Parks	Enforcement	Licensing	Housing
Stage 1	207	10	8	7	2	2	1	5	6	70	3	1	6
Sub Total:	242								86				
Stage 2	16	1	1	1				1	2	2	1		1
Sub Total:	20								6				
Total:	262								92				

Table 2 shows breakdown of complaint stage by service area team.

Appendix 1 – Audit & Scrutiny, Complaint Report April 2024 to December 2024, Tables of statistics

Table 3

	Operational Services		Housing & Communities		Place Development		Policy & Corporate Resources		Legal, Democratic and Election Services		Financial Services		Property & Regeneration		IT Team	
Resolved in time stage 1	161	67%	55	64%	16	36%	8	73%	1	20%	11	69%	1	50%	1	100%
Resolved out of time stage 1	77	32%	31	36%	29	64%	3	27%	4	80%	5	31%	1	50%	0	0%
Resolved in time stage 2	15	75%	0	0%	10	45%	1	100%	0	0%	1	33%	0	0%	0	0%
Resolved out of time stage 2	1	5%	6	100%	12	55%	0	0%	0	0%	2	67%	0	0%	0	0%
withdrawn	4	2%	2	2%	0	0%	0	0%	2	40%	1	6%	0	0%	0	0%
no response yet	4	2%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0	0	0

Table 3 shows complaints responded to in time and out of time by service area

Table 4

	Operational Services		Housing & Communities		Place Development		Policy & Corporate Resources		Legal, Democratic and Election Services		Financial Services		Property & Regeneration		IT Team	
Upheld stage 1	189	78%	52	60%	4	9%	8	73%	0	0%	4	25%	2	100%	0	0%
Not upheld stage 1	45	19%	32	37%	41	91%	3	27%	3	60%	11	69%	0	0%	1	100%
Upheld stage 2	13	65%	2	33%	1	5%	1	100%	0	0%	0	0%	0	0%	0	0%
Not Upheld stage 2	3	15%	4	67%	21	95%	0	0%	0	0%	3	100%	0	0%	0	0%
withdrawn	4	2%	2	2%	0	0%	0	0%	2	40%	1	6%	0	0%	0	0%
no response yet	4	2%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0	0	0

Table 4 shows complaints upheld and not upheld by Service Areas

FSAG ANNUAL TREASURY MANAGEMENT REPORT

Head of Service:	Peter Sebastian, Director of Corporate Services and Section 151 Officer (Chief Finance Officer)
Report Author	Sue Emmons, Chief Accountant
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 – Printed minutes from FSAG meeting on 27 September 2024. Appendix 2 – Printed minutes from FSAG meeting on 22 November 2024. Appendix 3 – Printed draft minutes from FSAG meeting on 31 January 2025.

Summary

This report provides Audit & Scrutiny Committee with an update on the work undertaken by Financial Strategy Advisory Group with respect to the Council's Treasury Management activity over the past 12 months.

Recommendation (s)

The Committee is asked to:

- (1) Receive the annual report from Financial Strategy Advisory Group in relation to its monitoring of the Council's treasury management function over the past 12 months.**

1 Reason for Recommendation

- 1.1 To provide Audit & Scrutiny Committee with an annual report of its monitoring of the treasury management function over the past 12 months.

2 Background

- 2.1 In July 2023 Full Council considered a report to review the Financial Policy Panel (FPP), following recommendations arising from the Local Government Association (LGA) Finance Peer Review, which took place in March 2021. Full Council agreed the proposed changes to the constitution which were set out in the report.

- 2.2 One of the agreed proposals was that responsibility for treasury management performance monitoring remain with Audit & Scrutiny but be delegated to FPP to be consolidated with FPP's responsibility for setting the annual treasury management strategy.
- 2.3 It was also agreed that to enable Audit & Scrutiny to fulfil its oversight responsibility, FPP would report back annually (or more regularly on an exception basis if required) to Audit & Scrutiny to disclose how it has exercised monitoring of the treasury management function.
- 2.4 Full Council also agreed that FPP be renamed as Financial Strategy Advisory Group (FSAG), to reflect its new wider responsibilities.
- 2.5 Over the past 12 months FSAG has considered the following treasury management reports:
 - 2.5.1 Treasury Management Year-End Performance 2023/24 – 27 September 2024.
 - 2.5.2 2024/25 Mid-Year Treasury Management – 22 November 2024.
 - 2.5.3 Treasury Management Strategy 2025/26 – 31 January 2025.

3 Financial Strategy Advisory Group meetings

- 3.1 On 27 September 2024 FSAG considered the [Treasury Management Year-End Performance 2023/24](#) report. The report set out the final outturn position of the Council's treasury management performance for the financial year 2023/24. FSAG was asked to receive both the report and the prudential indicators. Appendix 1 contains the minutes of the meeting.
- 3.2 On 22 November 2024 FSAG consider the [2024/25 Mid-Year Treasury Management](#) report. The report set out the treasury management performance for the first six months of 2024/25. The meeting was preceded by an hour-long treasury management training session by the Council's external treasury management advisors, Link Asset Services – Treasury Solutions, which was open to all Members and recorded for anyone unable to attend the session.
- 3.3 FSAG was asked to receive the presentation from Link Asset Services – Treasury Solutions; note the performance on return of investments for the first six months of 2024/25; note the current investment decisions being made within the terms set out in the Treasury Management Strategy; and note that 2025/26's Treasury Management Strategy, due to be presented to FSAG in January 2025, ahead of recommendation to Full Council in February 2025, will continue to be based on the local government template provided by sector specialist Link Asset Solutions. Appendix 2 contains the minutes of the meeting.

- 3.4 On 31 January 2025 FSAG considered the [Treasury Management Strategy 2025/26](#) report. The report outlined the treasury management strategy for 2025/26, which includes prudential indicators for 2025/26 to 2027/28, the minimum revenue provision (MRP) policy, and the investment and borrowing strategy. FSAG was asked to recommend to Full Council that the treasury management strategy be approved; and advise whether any countries should be considered for removal from the list of approved investable countries at section 5.17 of the treasury management strategy.
- 3.5 FSAG proposed that Abu Dhabi (UAE) and Qatar be removed from the list of approved investable countries at section 5.17 to go to Full Council. Appendix 3 contains the minutes of the meeting. The [Treasury Management Strategy 2025/26](#) was included as appendix 11 of the Budget Report 2025/26 which was approved by Full Council at its meeting on 11 February 2025.

4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

4.1.1 None arising from the contents of this report.

4.2 Crime & Disorder

4.2.1 None arising from the contents of this report.

4.3 Safeguarding

4.3.1 None arising from the contents of this report.

4.4 Dependencies

4.4.1 None arising from the contents of this report.

4.5 Other

4.5.1 None arising from the contents of this report.

5 Financial Implications

5.1 **Section 151 Officer's comments:** None for the purposes of this report.

6 Legal Implications

6.1 **Legal Officer's comments:** None for the purposes of this report.

7 Policies, Plans & Partnerships

7.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council.

7.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.

7.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report.

7.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.

7.5 **Partnerships:** None arising from the contents of this report.

8 Background papers

8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- None.

Other papers:

- [Financial Policy Panel Review](#) - Full Council – 25 July 2023.
- [Budget Report 2025/26](#) – Full Council – 11 February 2025.

**Minutes of the Meeting of the FINANCIAL STRATEGY ADVISORY GROUP held at
the Council Chamber, Epsom Town Hall on 27 September 2024**

PRESENT -

Councillor Neil Dallen (Chair); Councillors Hannah Dalton, Liz Frost, Alison Kelly and Clive Woodbridge

In Attendance: Councillor Alex Coley, Councillor Jan Mason and Councillor Steven McCormick

Absent: Councillor Peter O'Donovan

Officers present: Brendan Bradley (Chief Finance Officer) and Sue Emmons (Chief Accountant)

6 DECLARATIONS OF INTEREST

No declarations of interest were made by councillors regarding items on the agenda for the meeting.

7 MINUTES OF THE PREVIOUS MEETING

The minutes of the Financial Strategy Advisory Group meeting held on 12 July 2024 were agreed as a true record to be signed by the Chair.

8 TREASURY MANAGEMENT YEAR-END PERFORMANCE 2023/24

Following consideration of the report's contents, the Group moved to consider the report recommendations, which were agreed as follows:

(1) Receive the report on the Council's treasury management performance 2023/24;

(2) Receive the 2023/24 prudential indicators.

9 INITIAL CAPITAL PROPOSALS - 2025/26

It was agreed that a review of the capital criteria used to assess capital bids would be considered at the next meeting of the Group. It was also requested that the Council's Senior Surveyor attend the next meeting to answer any detailed questions that may arise about the schemes.

Members provided the following feedback on each proposal:

a) Environment 1 – Stew Ponds Removal of Silt

Proposal could progress to the next stage of the capital programme, but the final proposal must consider whether partial de-silting could be undertaken and the costs of this option. The detailed proposal should also cover the implications of not undertaking the work and whether there is an impact on the Climate Change Action Plan.

b) Environment 2 – Uppermill Pond Bank Replacement

Proposal to progress to the next stage of the capital programme.

c) Environment 3 – Ashley Centre Car Park Overcoating Waterproof Membrane

Proposal to proceed to the next stage, but the detailed proposal must include further detail on the risk of deferring the works. Also, to be included is a breakdown of the current state of and individual cost for each level, and whether just 1, 2 or all 3 levels could be undertaken. Clarification as to which level would leak into the shopping centre also to be detailed, as well as how much have relevant material prices increased over the last three years.

d) Environment 4 – Court Recreation Ground Renewal of 3G Football Pitch

Proposal to proceed to the next stage, but the detailed proposal must include current income levels and whether it could be positioned as a spend to save scheme by increasing fees/charges and/or the number of bookings. Information to be included regarding other 3G pitches in the area and any new ones in the pipeline to understand how this might impact future revenue streams. Health and Wellbeing benefits and Health & Safety concerns to be expanded upon in the detailed proposal.

e) Environment 5 – Playground Renovation and Surface Renewal

Proposal to progress to the next stage of the capital programme but should include a priority order and detail about the state/urgency of each park and related Health and Safety issues. Any playgrounds that have been successful in the recent CIL funding round at October LPPC Committee should be removed from the proposal.

f) Community & Wellbeing 1 – Playhouse Stage Lighting and Dimmers

Proposal to progress to the next stage of the capital programme but detailed proposal to clarify the estimated annual revenue savings from the new lights. The proposal should also include the Playhouse's annual

overall net operating cost to the Council, plus an estimate of additional associated car park income/usage that the Council receives.

g) Community & Wellbeing 2 – Playhouse Front of House Toilets

Proposal was not supported to progress to the next stage but a recommendation for a deep cleanse of the toilets was made instead.

h) Community & Wellbeing 3 – Bourne Hall Replacement of Windows – Phase 2

Proposal to progress to the next stage of the capital programme but clarification needed on the cost of doing this phase separately to the initial stage being undertaken in 2024/25. Detailed proposal to consider whether, if agreed, approval of the scheme at Full Council in February 2025 would allow sufficient time to coordinate with the first phase of works and realise any cost savings identified with doing the works concurrently.

Following consideration of the above matters and the report's contents, the Group moved to consider the report recommendations, which were agreed as follows:

- (1) Provide guidance on which of the initial schemes in the first draft 2025/26 capital programme should be developed for further consideration in November.**

The Chair thanked the Chief Finance Officer for his work for Epsom & Ewell in recognition of this being his last FSAG meeting before he leaves the Council.

The meeting began at 2.00 pm and ended at 3.29 pm

COUNCILLOR NEIL DALLEN (CHAIR)

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**Minutes of the Meeting of the FINANCIAL STRATEGY ADVISORY GROUP held at
the Council Chamber, Epsom Town Hall on 22 November 2024**

PRESENT -

Councillor Neil Dallen (Chair); Councillors Liz Frost, Alison Kelly and Clive Woodbridge

In Attendance: Councillor Steven McCormick

Absent: Councillor Hannah Dalton and Councillor Peter O'DonovanKevin Hanlon

Officers present: Andrew Bircher (Interim Director of Corporate Services), Sue Emmons (Chief Accountant) and Tony Foxwell (Senior Surveyor)

10 DECLARATIONS OF INTEREST

No declarations of interest were made by councillors regarding items on the agenda for the meeting.

11 MINUTES OF THE PREVIOUS MEETING

The minutes of the Financial Strategy Advisory Group meeting held on 27 September 2024 were agreed as a true record to be signed by the Chair.

12 FINAL CAPITAL PROPOSALS - 2025/26

Members provided the following feedback on each proposal:

a) Environment 1 – Stew Ponds Removal of Silt

Members discussed the urgency of the works and how this scheme had been proposed for several years but deferred. It was agreed to progress this scheme committee under the 2025/26 capital programme.

b) Environment 2 – Uppermill Pond Bank Replacement

These works were considered essential and therefore it was agreed to progress this scheme under the 2025/26 capital programme.

c) Environment 3 – Ashley Centre Car Park Overcoating Waterproof Membrane

The rationale for doing the works in phases was discussed and it was agreed to progress level 1 only for the 2025/26 capital programme.

d) Environment 4 – Court Recreation Ground Renewal of 3G Football Pitch

It was agreed that this scheme should progress and 3G was confirmed as the best option. Members requested that Environment committee revisit the fees to ensure they are in line with other local pitches and additional income to repay investment.

e) Environment 5 – Playground Renovation and Surface Renewal

Members agreed that only the most in need playground should progress and recommended Hardwick's Yard be funded from the budgeted revenue contribution to capital for 2025/26.

f) Community & Wellbeing 1 – Playhouse Stage Lighting and Dimmers

These works were considered essential to the continued operation of the theatre and therefore it was agreed to progress this scheme under the 2025/26 capital programme.

g) Community & Wellbeing 3 – Bourne Hall Replacement of Windows – Phase 2

These works were considered essential to the continued operation of Bourne Hall. To realise economies of scale from combining this scheme with the phase 1 works taking place in 2024/25 Members recommended a report be taken to Full Council in December 2024 to seek approval for the budget in time to coordinate with the tenders which have been received.

Following consideration of the above matters and the report's contents, the Group moved to consider the report recommendations, which were agreed as follows:

- (1) Provide guidance on which of the final proposals should be taken to the relevant policy committee in January 2025 to seek support for inclusion within the 2025/26 Capital Programme.**
- (2) Identify which schemes should be approved and which should be removed from the list of proposals in section 4.1 of the report.**

13 2024/25 MID-YEAR TREASURY MANAGEMENT

Following consideration of the report's contents, the Group moved to consider the report recommendations, which were agreed as follows:

- (1) Receive the presentation from Link Asset Services – Treasury Solutions;**

- (2) **Note the performance on return of investments for the first six months of 2024/25;**
- (3) **Note the current investment decisions being made within the terms set out in the Treasury Management Strategy;**
- (4) **Note that 2025/26's Treasury Management Strategy, due to be presented to Financial Strategy Advisory Group in January 2025, ahead of recommendation to Full Council in February 2025, will continue to be based on the local government template provided by sector specialist Link Asset Solutions.**

The meeting began at 2.00 pm and ended at 2.55 pm

COUNCILLOR NEIL DALLEN (CHAIR)

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**Minutes of the Meeting of the FINANCIAL STRATEGY ADVISORY GROUP held at
the Council Chamber, Epsom Town Hall on 31 January 2025**

PRESENT -

Councillor Neil Dallen (Chair); Councillors Hannah Dalton, Liz Frost, Alison Kelly and Clive Woodbridge

Absent: Councillor Peter O'Donovan

Officers present: Peter Sebastian (Director of Corporate Services (S151)) and Sue Emmons (Chief Accountant)

14 DECLARATIONS OF INTEREST

No declarations of interest were made by councillors regarding items on the agenda for the meeting.

15 MINUTES OF THE PREVIOUS MEETING

The minutes of the Financial Policy Panel meeting held on 22 November 2024 were agreed as a true record to be signed by the Chair.

16 BUDGET AND COUNCIL TAX REPORT 2025/26

Members discussed the following issues:

- The Business Rates pool and why EEBC is not included for 2025/26.
- The increased costs of NIC for 2025/26 and the estimated government funding support for this.
- The postponed Fair Funding Review.
- The occupancy status of some of the Council's investment properties.
- The Extended Producer Responsibility funding for 2025/26 and future assumptions.
- Potential costs of the Local Government Reorganisation and the potential for urgent decisions.
- The level of Council Tax increase for 2025/26.

- Action 4 of the Corporate Peer Challenge Action Plan relates to training. The level of budget for Member Development has been benchmarked against other Surrey districts and it was suggested that the current budget of £3.5k be uplifted within the 2025/26 financial year by £2.5k (final figure to be agreed with the Chair and Deputy Chair of Strategy & Resources Committee) to bring in line with the average figure per Member. The Director of Corporate Services confirmed that the inflationary contingency budget could be used to increase this budget to the required level, as the budget had not been uplifted for some years. The authority to allocate contingency budgets sits with the S151 Officer as per the financial regulations.

Following consideration of the above matters and the report's contents, the Group moved to consider the report recommendations, which were agreed as follows, to:

- (1) **Provide the Chief Finance Officer with any further feedback needed to finalise the 2025/26 Budget and Council Tax report;**
- (2) **Note the provisional Local Government financial settlement for 2025/26 announced on 18 December;**
- (3) **Support that any surplus/deficit on 2024/5 business rates income, and any change in projected business rates income for 2025/26, will be offset by a transfer to or from the Collection Fund Equalisation Reserve, as set-out in Section 4 of the report;**
- (4) **Support a recommendation to Council of a council tax increase of 2.98% (£6.75 per annum for a Band D equivalent property) for 2025/26.**

17 TREASURY MANAGEMENT STRATEGY 2025/26

Members discussed the following issues:

- The approved countries for investment on the list in section 5.17 of the Treasury Management Strategy and proposed that Abu Dhabi (UAE) and Qatar be removed from the list to go to Full Council. USA was discussed and agreed it should remain for this year but requested that the Finance team provide advice on the potential impact of removing the USA from the list of approved countries for investment, for review in advance of the 2026/27 financial year and an assessment, from the Council's Treasury advisors, on whether there are any bitcoin investment opportunities that might fit within the Council's agreed risk profile for investments.
- It was highlighted that recommendation 2 should say section 5.17 and not section 7 which was included in the report.

Following consideration of the report's contents, the Group moved to consider the report recommendations, which were agreed as follows:

- (1) Recommend to Full Council that the treasury management strategy, which includes the following, be approved:**
 - 1.1 The treasury management strategy and the treasury prudential indicators contained therein;**
 - 1.2 The capital prudential indicators and limits;**
 - 1.3 The borrowing strategy contained within the treasury management statement;**
 - 1.4 The annual investment strategy;**
 - 1.5 The minimum revenue provision policy statement;**
 - 1.6 The treasury management practices.**
- (2) Advise whether any countries should be considered for removal from the list of approved investable countries at section 5.17 of the treasury management strategy.**

The meeting began at 2.00 pm and ended at 2.36 pm

COUNCILLOR NEIL DALLEN (CHAIR)

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REGULATION OF INVESTIGATORY POWERS ACT (2000) ANNUAL REPORT

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Andrew Bircher
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 - Policy & Guidance on Lawful Surveillance - Regulation of Investigatory Powers Act 2000

Summary

To report on the Council's activities relating to surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA) for 2024.

Recommendation (s)

The Committee is asked to:

- (1) Note the annual report of the Council's use of its RIPA powers in 2024; and**
- (2) Ask the Assistant Director of Corporate Services to bring this report to the attention of the Chair of the Community Safety Partnership and the Chair of the Crime and Disorder Committee for information.**

1 Reason for Recommendation

- 1.1 This is the required annual report to provide details of any surveillance carried out by the Council under RIPA powers. For 2024 there were no such surveillance activities carried out.

2 Background

- 2.1 The Council undertakes a number of functions which involve the enforcement of laws and regulation. On occasion, Officers may need to conduct investigations, and in exceptional circumstances, the Council has the power to make use of covert surveillance and similar activities
- 2.2 The Regulation of Investigatory Powers Act 2000 (RIPA) and the Codes of Practice issued under section 71 of that Act, regulates the way in which the Council conducts surveillance for the purposes of law enforcement.

- 2.3 The fundamental requirement of RIPA is that when the Council considers undertaking directed surveillance or using a covert human intelligence source it must only do so if:
- 2.3.1 a) the activity has been authorised by an Officer with appropriate powers, and
 - 2.3.2 b) the relevant criteria are satisfied, including authorisation by the Magistrates Court.
- 2.4 All RIPA surveillance which the Council wishes to authorise must be approved by an Authorising Officer and also be approved by a Magistrate. Where a Local Authority wishes to seek to carry out a directed surveillance or make use of a human intelligence source the Council must apply to a single Justice of the Peace. The Home Office issued guidance to Local Authorities and to Magistrates on the approval process for RIPA authorisations.

3 Inspections

- 3.1 The Council is inspected by the IPCO every three years to ensure its compliance with RIPA and the Investigatory Powers Act 2016. The latest inspection concluded on the 10th June 2024 upon receipt of the Investigatory Powers Commissioner's final inspection letter.
- 3.2 Following a review of how IPCO conducts its oversight of local authorities, they no longer routinely undertake physical / remote inspections, as has previously been the case. Instead, the Investigatory Powers Commissioner agreed that each local authority should provide a written update, in the first instance, on its compliance with the legislation.
- 3.3 Following the receipt of the Council's written update and engagement with the IPCO Inspector, the Commissioner is satisfied that the Council's reply provides its assurance that ongoing compliance with RIPA 2000 and the Investigatory Powers Act 2016 will be maintained. As such, the Council did not require further inspection this year
- 3.4 The Commissioner highlighted three areas where the Council can enhance its RIPA Policy.

- 3.4.1 Review of paragraph 46 of the RIPA Policy in relation to social media investigations, and in particular the phrase - "Where privacy settings are available but have not been used, authorisation is not usually required to access and use that data in an investigation." Paragraph 3.13 and 3.14 of the CHIS Code of Practice 2018 has some guidance, "in some circumstances privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as investigative activity. This is regardless of whether a user of a website or social media platform has sought to protect such information by restricting its access by activating privacy settings". The RIPA policy does continue to provide some good explanation at Annex 3.
- 3.4.2 The RIPA Policy has a few references to the OSC (Office of Surveillance Commissioners) which is now defunct and replaced by IPCO.
- 3.4.3 The addition of a section in the RIPA Policy about Records and Product Management, with regard to any material generated from an authorisation.

3.5 An updated policy is provided with this report.

4 Use of Powers

4.1 There were no applications for directed surveillance authorisations in 2024.

5 Risk Assessment

Legal or other duties

5.1 Equality Impact Assessment

5.1.1 Use of investigatory powers potentially engages the Human Rights Act 1998 and in particular the qualified right to private and family life under article 8 of the European Convention. This right may only be interfered with in circumstances where it is necessary and proportionate to do so in pursuit of the public interest. The Council's RIPA Policy & Guidance document is designed to facilitate compliance with the Human Rights Act.

5.2 Crime & Disorder

5.2.1 It is important to ensure regulatory investigative procedures are kept up to date and once the current Inspection is completed any recommendations will be included as part of the review

5.3 Safeguarding

5.3.1 No issues arise from this report

5.4 Dependencies

5.4.1 none

5.5 Other

5.5.1 none

6 Financial Implications

6.1 No direct implications

6.2 **Section 151 Officer's comments:** None arising from the contents of this report.

7 Legal Implications

7.1 **Legal Officer's comments:** None arising from the contents of this report

8 Policies, Plans & Partnerships

8.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- This report is linked to the council's priority for Safe and Well

8.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.

8.3 **Climate & Environmental Impact of recommendations:** None.

8.4 **Sustainability Policy & Community Safety Implications:** The subject could be related to community safety, but no powers have been deployed

8.5 **Partnerships:** None.

9 Background papers

9.1 The documents referred to in compiling this report are as follows:

Previous reports:

- None.

Other papers:

- None.



Policy & Guidance on Lawful Surveillance Regulation of Investigatory Powers Act 2000

Epsom & Ewell Borough Council

Town Hall

The Parade

Epsom, Surrey

KT18 5BY

Review and Amendment

Review Period: Annual
Responsible Officer: Chief Legal Officer

Date	Review or Amendment	Review Comments/ Summary of Amendment	Review/Amendment Made by
18/10/2017	Amendment	Various amendments made in response to IPCO Inspection Report	Simon Young
16/3/2018	Amendment	Various amendments in response to annual review	A Healy
29/5/2019	Review	No change	A Healy
24/5/2021	Review	Updates to Appendix 1	A Healy
07/10/2022	Review	Changes of Chief Legal Officer to Head of Legal Services. Updates to Appendix 1	A Bircher
9/02/2024	Review	Changes to staff at appendix 1	A Bircher
12/2/2025	Review	Update following IPCO	A Bircher

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A. INTRODUCTION

1. In September 2000, the Regulation of Investigatory Powers Act 2000 (“RIPA”) came into force in England and Wales. The Act sets out in detail the type of surveillance work, and certain other investigatory work, the Council may lawfully undertake and the circumstances in which it may be undertaken. The Act provides a regulatory framework with which the Council must comply. In simple terms, the Act requires the Council to have procedures in place, which ensure that surveillance, and/or other regulated activities are: necessary, on specified grounds; proportionate to what is sought to be achieved; and are properly authorised.
2. The Council takes its statutory responsibilities seriously and will, at all times, act in accordance with the law and take necessary and proportionate action in these matters. The Council has various powers and duties in connection with the detection of crime, including environmental enforcement work, licensing and other regulatory work, and the detection of benefit fraud.
3. The Head of Legal Service is duly authorised by the Council to keep this policy up to date and accurate and maintain a central record of authorisations for the purpose of RIPA. This policy should be read in conjunction with the codes of practice, which can be viewed at <https://www.gov.uk/government/collections/ripa-codes>
4. This version replaces version 2 of the Policy and Guidance documents approved in 2010. The current version of the policy and forms are those saved in O:\Common\SharedData\RIPA. If a hard copy has been printed, reference should first be made to the electronic copy of the policy, to check for any revisions. Forms should not be saved locally; the relevant form on the Home Office website should be used on each occasion. The forms are available at <https://www.gov.uk/government/collections/ripa-forms--2>. If the forms or website are unavailable for any reason, the forms in the above folder may be used instead.

5. If you are in any doubt about RIPA or any related legislative provisions, please consult the Head of Legal Services at the earliest possible opportunity.

B. BACKGROUND

6. Article 8 of the European Convention on Human Right is enshrined in UK law by the Human Rights Act 1998. Article 8 requires the Council and any organisations working on its behalf to respect the private and family life of citizens. The European Convention made this a qualified right and not an absolute right and as such the Council may interfere in a citizens rights mentioned above if the interference is, a) in accordance with the law, b) necessary, and c) proportionate. RIPA was passed to ensure that law enforcement and other operations are consistent with the duties imposed upon public authorities by the Human Rights Act.
7. RIPA sets out a statutory mechanism for authorising certain regulated activities. It seeks to ensure that any interference with an individual's Article 8 rights is necessary and proportionate and there is a balance between the public interest and the human rights of individuals. Covert surveillance, and other regulated activities will only be undertaken where there is no reasonable and effective alternative means of achieving the desired objective. No activity shall be undertaken by the Council or its officers within the definition of intrusive surveillance.
8. Significant changes came into force pursuant to the Protection of Freedoms Act 2012, and amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010.
9. Investigatory activities are controlled by a system of authorisation, which requires a senior officer to consider the purpose for which action is to be undertaken and the arrangements for ensuring that it is undertaken in accordance with the requirements of Guidance issued by the Office of the Surveillance Commissioners. Authorisations can only be given effect once an order approving the authorisation or notice has been granted by a Justice of the Peace.

10. Any evidence gathered by activities subject to RIPA but not properly authorised may be ruled inadmissible in court, jeopardising the case and potentially rendering the Council liable to pay court costs. Such activities being undertaken without proper authorisation could also lead to a challenge and/or claim for compensation under the Human Rights Act.
11. The Council is committed to using the RIPA framework in accordance with the Guidance issued by the Office of the Surveillance Commissioners and the Codes of Practice issued by the Home Office.

Necessity

12. The Council must consider whether the information that it is thought necessary to obtain by the authorised conduct could reasonably be obtained by other overt means and why it is necessary to use covert methods in the investigation. Prior to considering the “necessity” of a particular regulated activity, it is important to consider the scope of a local authority’s powers to engage in that activity. For example, there is now the crime threshold referred to in paragraph 21, which restricts the Council’s ability to authorise directed surveillance.

Proportionality

13. The following should be borne in mind when assessing proportionality:
- The means should not be excessive compared to the gravity of the alleged offence
 - The least intrusive covert methods should be chosen
 - Collateral intrusion should be minimised
 - Whether all other reasonable methods have been considered and discounted

C. SURVEILLANCE

14. Surveillance includes:

- Monitoring, observing, listening to persons, watching or following their movements, listening to their conversations and other such activities or communications.
- Recording any of the above in the course of authorised surveillance.
- Surveillance by or with the assistance of appropriate surveillance devices.

15. Surveillance can be overt or covert. Most surveillance carried out by the Council will be overt (open) and not hidden or secretive. Any surveillance that is undertaken where the subject is aware of it, for example, where a noisy resident has been warned that they are going to be recorded for noise, comes under the definition of overt surveillance. In many cases, officers will be behaving in the same way as a normal member of the public (e.g. in the case of most test purchases), and/or will be going about Council business openly.

16. Overt Surveillance does not require RIPA authorisation.

17. Covert surveillance enables public bodies to detect and prevent crime and obtain information about an individual's or organisation's activities.

18. The Home Office Code of Practice on Covert Surveillance and Property Interference states that surveillance will be covert where it is carried out in a manner calculated to ensure that the subject is unaware that it is or may be taking place.

19. RIPA regulates surveillance that is 'directed surveillance', and/or 'intrusive surveillance'. Surveillance is "**Directed surveillance**" if the following are all true:

- It is covert but not intrusive.
- It is carried out for the purposes of a specific investigation or operation
- It is likely to result in the obtaining of private information about a person

(information relating to his/her private and family life, home and correspondence and aspects of business and professional life)

- It is not conducted by way of an immediate response to events or circumstances where it would not be reasonably practicable to seek authorisation.

20. Examples of “directed surveillance” have in the past included, for example, the surveillance of individuals in respect of possible fly tipping, benefit fraud, anti-social behaviour, or planning contraventions. Since 1 November 2012, it has only been possible for directed surveillance to be authorised where the authority is investigating particular types of criminal offences. These are criminal offences, which attract a maximum custodial sentence of six months, or more, or criminal offences relating to the underage sale of alcohol or tobacco.

21. The key element of "directed surveillance" is the targeting of an individual with the likelihood of gaining private information.

22. "**Intrusive surveillance**" is defined as covert surveillance that:

- is carried out in relation to anything taking place on any residential premises or in any private vehicle; and
- involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.

23. Intrusive surveillance can only be carried out by the police and other law enforcement agencies. Council Officers must **not** carry out intrusive surveillance. If the surveillance may become, or if there is a risk of it becoming, intrusive the surveillance should stop and the officer should seek advice from the Head of Legal Services. Officers need to give careful consideration to their chosen methods of surveillance and/or devices to be used to ensure that there is no unwitting intrusive surveillance.

24. **CCTV** - The provisions of RIPA or the Code of Practice do not cover the overt use of CCTV surveillance systems. Members of the public are aware that such systems are in use for their protection and to prevent crime. However, if CCTV is targeted at an individual, a RIPA situation could arise.

25. **Collateral Intrusion** – Authorising officers should take into account the risk of intrusion into the privacy of persons other than those who are directly the subjects of the investigation. Measures should be taken to avoid or minimise unnecessary intrusion into the lives of those not directly connected with the investigation or operation.

D. CONDUCT AND USE OF A COVERT HUMAN INTELLIGENCE SOURCE

26. A Covert Human Intelligence Source (CHIS) is a person who establishes or maintains a personal or other relationship with another person for the covert purpose of:

- using such relationship to obtain information or to provide access to any information to another person, or
- covertly disclosing information obtained by the use of such a relationship or as a result of the existence of such a relationship,
- where the relationship is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of its purpose or (in the case of disclosure of information) it is disclosed in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the disclosure in question.

27. A CHIS may be an undercover officer or controlled informant. An informant can be considered to be “controlled” where a Council officer is directing the informant’s activities or enquiries.

28. **Other types of informants** – RIPA does not apply to members of the public who volunteer information as part of their civic duties, or members of staff who report information in accordance with their contract of employment, or under the Council’s Whistleblowing Policy.
29. The Council is involved in many of the everyday functions of law enforcement. For example, Enforcement Officers might use an informer (CHIS) as part of their enforcement function. The Council’s Internal Auditors might use an informer to see if there is an abuse of someone’s official position, (e.g. stealing money).
30. The Council can only use a CHIS if RIPA procedures are followed. The conduct or use of a CHIS requires **prior authorisation**. All authorised officers should consult the Chief Legal Officer for further information regarding procedure prior to authorising a CHIS. It will be important for an authorising officer to follow the requirements of Section 29 of RIPA. So, for example, the authorising officers’ needs to be satisfied that there will be a Handler for the CHIS – with day-to-day responsibility for the dealing with the CHIS, and for the CHIS’ welfare and security; there also needs to be a separate Controller, with general oversight of the use made of the CHIS.
31. “Test Purchasing” usually involves a council officer or other volunteer, who attempts to buy a product or use a service, where the seller/provider is not authorised in the circumstances to sell the product or provide the service. Most usually, this is organised/undertaken by licensing officers. This will not normally require authorisation, as no relationship is established between the test purchaser and the “target” of the operation. However, this will be fact sensitive. It is recommended that a summary of the proposed operation is written down and a judgment taken and recorded as to whether authorisation is required. This should be sent to the Head of Legal Services.
32. The Regulation of Investigatory Powers (Source Records) Regulations 2000 contain mandatory arrangements for using a CHIS. Adequate arrangements

must be in place to ensure that records are kept which relate to the source and that these records contain particulars of certain matters. The particulars are listed below:

- The identity of the source
- The identity, where known, used by the source
- Any relevant investigating authority other than the authority maintaining the records
- The means by which the source is referred to within each relevant investigating authority
- Any other significant information connected with the security and welfare of the source
- Any confirmation made by a person granting or renewing an authorisation that the information above has been considered and that any identified risks have been explained to and understood by the source
- The date when, and the circumstances in which, the source was recruited
- The identities of the persons who, in relation to the source, are discharging or have discharged the functions
- The periods during which those persons have discharged those responsibilities
- The tasks given to the source and the demands made of him in relation to his activities as a source
- All contacts or communications between the source and a person acting on behalf of any relevant investigating authority
- The information obtained by each relevant investigating authority by the conduct or use of the source
- Any dissemination by that authority of information obtained in that way, and
- In the case of a source who is not an undercover operative, every payment, benefit or reward and every offer of a payment, benefit or reward that is made or provided by or on behalf of any relevant investigating

authority in respect of the source's activities for the benefit of that or any other relevant investigating authority.

E CONFIDENTIAL INFORMATION, VULNERABLE PERSONS AND JUVENILES

33. There are special safeguards which apply when either:

- a. Knowledge of confidential information is likely to be acquired;
- b. When a vulnerable individual is used as a source;
- c. When a juvenile, being a person under the age of 18, is used as a source.

34. In all three instances at a), b) and c) above only the Chief Executive or in her absence the person acting as Chief Executive can grant authorisation, save that in no circumstances can a juvenile under the age of 16 be authorised to give information that can be used against his or her parents.

35. Confidential information consists of matters subject to legal privilege, confidential personal information, communications between a Member of Parliament and another person or confidential journalistic material. This is further particularised in the revised Code of Practice.

36. A vulnerable person is a person in need of community care services because of illness, age, mental or other disability, or, is unable to take care of himself or herself, or is unable to protect himself or herself against significant exploitation or harm.

F. EXAMPLES OF DIFFERENT TYPES OF SURVEILLANCE

Type of surveillance	Examples
<p><u>Overt</u> Not requiring prior authorisation</p>	<ul style="list-style-type: none"> • Police Officer or Wardens on patrol; • Signposted Town Centre CCTV cameras (in normal use); • Recording noise from outside the premises after the occupier has been warned that this will occur if the noise persists (in most cases).
<p><u>Covert</u> But not requiring prior authorisation</p>	<ul style="list-style-type: none"> • CCTV cameras providing general traffic, crime or public safety information.
<p><u>Directed</u> Must be RIPA authorised</p>	<ul style="list-style-type: none"> • Officers follow an individual or individuals over a period, to establish whether s/he is working when claiming benefit or on long-term sick leave. • Test purchasers where the officer has a hidden camera or other recording device to record information which might include information about the private life of a shop-owner, e.g. where s/he is suspected of running a business in an unlawful manner. • Can only be used for offences, which meet the crime threshold.
<p><u>Intrusive</u> Council Officers cannot do this</p>	<ul style="list-style-type: none"> • Planting a listening or other device (bug) in a person's home or in their private vehicle.

G. ANTI-SOCIAL BEHAVIOUR (ASB) ACTIVITIES (e.g. noise, violence, etc.)

37. Persons who complain about ASB and are asked to keep a diary will not normally be Covert Human Intelligence Source and therefore do not require authorisation as they are not required to establish or maintain a relationship for a covert purpose. Recording the level of noise (e.g. decibel) will not normally capture private information and does not require authorisation. However, careful consideration should be given to how this is to be done in practice, as it is possible that conduct requiring authorisation might be undertaken.
38. Recording sound (with a DAT recorder) on private premises could constitute intrusive surveillance, unless it is done overtly. For example, it may be possible to record if the noisemaker is warned that this will occur if the level of noise continues. However, this will depend on how this is to be done, including the technical capabilities of the equipment used. Placing a stationary or mobile video camera outside a building to record ASB on residential estates will require prior authorisation.

H. INTERCEPTION OF COMMUNICATIONS

39. Local authorities cannot generally intercept communications. Under Part I of RIPA, employers can intercept e-mails with employees consent. However, consent is not needed where the purpose is to detect and prevent crime OR unauthorised use of the e-mail or internet system. The employer must make “all reasonable efforts” to inform the employee that their e-mails may be intercepted. The Council cannot otherwise seek to intercept communications.

I. ACQUISITION OF COMMUNICATIONS DATA

40. Under Part I, Chapter II of RIPA, local authorities have powers in respect of the acquisition of communications data from telecommunications and postal companies. Communications data means any traffic or any information that is sent by telecommunications system or postal system, together with information about the use of the system by any person. For example, this could include the dates and times messages are sent or calls made, but not the content of the messages.
41. An authorised person can authorise another officer within the public authority to collect the data. The local authority is allowed to collect data communications itself, i.e. if a private telecommunications company is technically unable to collect the data, the local authority would be able to collect the communications data itself.
42. In order to compel a Communications Company to obtain and/or disclose communications data in their possession, a Notice must be issued (Appendix 2). The *only* grounds a local authority can compel this is for the purposes of “preventing or detecting crime or of preventing disorder”.
43. In issuing a Notice, the authorising officer can authorise another person to liaise with the Communications Company covered by the Notice.
44. Whilst RIPA allows local authorities in appropriate circumstances to acquire communications data, this is not something Epsom & Ewell Borough Council can directly do at present, as we have no appropriately trained and accredited officers.

J SOCIAL MEDIA AND WEBSITES

45. Although Social Media and other websites are easily accessible and a great deal of information may be published, if that information is going to be sought out and used as part of an investigation, consideration must be given to whether authorisation under RIPA should be obtained. A guidance note is included at Appendix 3.

46. Care must be taken to understand how the particular site/service works. Officers should not assume that one site or service provider will work in much the same way as any other. Individuals have a large measure of responsibility to set privacy settings to protect against unsolicited access to their private information on social media or the internet generally. Unprotected data may be considered published and no longer fully under the control of the originator. An author has a reasonable expectation of privacy, especially where access controls have been applied. Where privacy settings are available but have not been used, authorisation is not usually required to access and use that data in an investigation. In some circumstances privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as investigative activity. This is regardless of whether a user of a website or social media platform has sought to protect such information by restricting its access by activating privacy settings. Regard will of course need to be had to whether that information can be directly tied to a particular individual.

47. In certain circumstances, however, authorisation might be required. Following an individual's activities on social media could stray into covert surveillance. Any proposal to ask to become a "friend" or to otherwise connect with an individual could constitute use of a CHIS. One-off test purchasing over the internet where no ongoing relationship is established will not normally require a CHIS authorisation.

48. Social media could be a valuable source of information. Prior to undertaking research, legal advice must be sought, and the investigating officer should document their decision, if they conclude in light of that advice, that no authorisation is required. Records of activities should be kept, and officers should regularly review whether authorisation is required. If required, authorisations will be granted and administered in the normal way.
49. Officers must not create covert online identities, for the purposes of research or investigation without first seeking legal advice. This activity is generally to be discouraged. If such activities are, in exceptional circumstances, considered to be necessary, this will require the approval of the Head of Legal Services and/or the Chief Executive, before any RIPA authorisation is considered by an authorising officer. The approved arrangements must include details of controls in place, including a register of such identities and details of which officers have access to those identities. A record must be kept of all activities using a covert identity.

K. NON-RIPA SURVEILLANCE

50. RIPA does not of itself grant powers to carry out surveillance; such powers are either available under specific legislation, or ancillary to other functions. RIPA provides a framework for ensuring that surveillance that is undertaken is authorised and supervised in a manner that ensures compliance with the Human Rights Act 1998. Equally, RIPA does not prevent surveillance from being carried out or require that it may only be carried out in accordance with RIPA.
51. There may, exceptionally, be times when it will be necessary to undertake covert surveillance or use a CHIS otherwise in accordance with RIPA. For example, there may be a serious internal investigation. If this might lead to criminal proceedings, then a RIPA authorisation may be appropriate, but if criminal proceedings are not contemplated, this might not be possible.

52. There may be serious cases of anti-social behaviour or nuisance for which the penalties would be below the threshold for a RIPA authorisation. Nonetheless, there may be good reasons why covert directed surveillance, or the use of a CHIS is necessary, in order effectively to deal with the matter, especially if it might be the only effective means of efficiently obtaining the information necessary in order for action to be taken.
53. In such circumstances it is recommended that the same procedures are followed, as if it were a RIPA authorisation – the forms should be clearly endorsed “NON-RIPA APPLICATION” on the top of each page. An application should be submitted for the consideration of an Authorising Officer in the usual way, who should consider it under the necessity and proportionality tests. The normal procedure of timescales, review and cancellations should also be followed.
54. The authorisation, review, renewal and cancellation of non-RIPA surveillance/CHIS activity must be notified to the Head of Legal Services. Authorisations will not require Magistrates’ Court approval and will take effect when authorised. Records will be kept alongside the RIPA central record.

L. PROCEDURES

55. The overall rules and procedures that need to be followed are set out below. A quick RIPA checklist is included at Appendix 4.

Authorisation

56. An authorisation under Part II of the Act will provide lawful authority for a public authority to carry out surveillance. Public authorities are strongly recommended to seek an authorisation where the surveillance is likely to interfere with a person’s Article 8 right to privacy by obtaining private information about that person. There is a great likelihood of risk if you are carrying out observations around a person’s home. The Head of Legal Services who is the Monitoring Officer for RIPA is authorised by the Council to

oversee all RIPA use/processes within the Council and maintain the Central Record of Authorisations for the purpose of RIPA. The Monitoring Officer will receive and retain originals of all RIPA applications, authorisations, renewals, reviews and cancellations, and to maintain these in a central file. The list of authorised officers is attached as Appendix 1. If the Chief Executive or Head of Service wishes to add, delete or substitute a post s/he must make a formal request to the Head of Legal Services for consideration. The Monitoring Officer will oversee the RIPA process on behalf of the Council.

57. Private information is a broad term and can include aspects of private life such as gender identification, name, sexual orientation and sexual life. It can also cover interaction with others in the outside world (and not restricted to private premises), and may include activities of a professional or business nature (*Perry v United Kingdom*).

58. Ideally the Authorising Officer should not be responsible for authorising a CHIS in connection with their own activities, i.e. those operations or investigations in which they are directly involved or for which they have direct responsibility. If this is unavoidable, it should be highlighted in the central record.

59. All surveillance covered by the Act must be authorised using the corporate application forms, listed in Appendix 2. To ensure that the latest version of the relevant form is being used, officers must use a blank template on each occasion, and must not type over the top of a previously saved form.

60. Surveillance equipment will only be installed with the authorisation of the Council's authorised officers. If a resident is requested to keep a video diary as part of an evidence gathering exercise, this will be regarded as directed surveillance on behalf of the Council, and as such will require authorisation.

61. Directed surveillance or the conduct and use of CHIS can *only* be authorised by the Council on the ground of the prevention or detection of crime/disorder.

62. It is important that careful consideration be given to the issue of confidential information. It should be possible in most cases to ensure that it is not likely that confidential information will be acquired. In any case in which this is considered likely, advice should be sought prior to submission of an application to the Chief Executive for authorisation.

How is the application for authorisation made?

63. It should be made in writing, and it should specify:

- The details of the purpose for which the CHIS/surveillance will be used,
- The identities, where known, of those to be subject of the use or conduct of the CHIS/surveillance,
- Details of what the CHIS will be asked to do,
- An account of the investigation or operation,
- The ground on which the authorisation is sought (i.e. for the prevention or detection of crime/disorder),
- Why the use of CHIS/surveillance is considered to be proportionate to what it seeks to achieve.
- An explanation of the information which the Council desires to obtain as a result of the authorisation,
- Details of the level of authority required,
- The potential for collateral intrusion, that is to say, interference with the privacy of other persons other than the subjects of the investigation, and an assessment of the risk of such intrusion or interference,
- The likelihood of acquiring any confidential material and what that material might be,
- Where authorisation is sought urgently, reasons why the case is considered to be urgent.

64. In assessing an application form the Authorising Officer must:

- Be mindful of the corporate policy,
- Satisfy himself that:
 - The use of covert means is proportionate to the mischief being investigated and the degree of intrusion on the target and others;
 - the RIPA authorisation is in accordance with the law, and the proposed activity is necessary and proportionate, and
 - Whether other means show covert surveillance could be used,
- In assessing proportionality and necessity, consider whether other less intrusive means could be used to gather information,
- Consider the degree of intrusion for those likely to be affected, bearing in mind Article 8 of the Human Rights Act, including an assessment of the risk of any collateral intrusion,
- Set a date for reviewing the authorisation, Set the date on which the authorisation will expire
- Forward **the original** authorisation to the Chief Legal Officer within 5 working days of making the authorisation, keeping a copy on their own file.

65. When authorising the conduct or use of CHIS the Authorised Officer must adhere to the Regulation of Investigatory Powers (Source Records) Regulations 2000, and:

- Be satisfied that the appropriate arrangements are in place for the management of the CHIS. This should include a risk assessment for health and safety;
- Consider the diverse impact on community confidence that may result from the information obtained;
- Ensure that records are available on a need to know basis.

66. The authorisation must be reviewed within the time stated on the application form and cancelled as soon as it is no longer necessary. The duration of the authorisation for directed surveillance can last for a maximum of 3 months from the date of authorisation and 12 months for a CHIS. However, it is essential that the authorisations are reviewed or cancelled at the proper time. There must be evidence of cancellation on file.

67. Prior to any authorisation having effect, or being renewed, judicial approval must be sought. This will be done by the investigating officer in conjunction with the Council's legal team, who will advise on the completion of the judicial application/order form and liaise with the court service.

Training and Development

68. All officers certified to sign RIPA forms shall be given the appropriate training. If the Chief Legal Officer feels that an authorised officer has not had the appropriate training/guidance then he is authorised to retract the officer's authorisation until the training has been completed.

69. RIPA Monitoring Officer shall aim to keep a Central Record of all RIPA training undertaken (to include officer name, date, provider & course title, optional comments, and copy of course materials where appropriate and available)

70. Regular refresher training of key staff shall be programmed (every 2-3 years).

71. Anyone attending training shall be encouraged to share what they have learnt with colleagues.

72. Extra training /updating will be held on at least a biennial basis – to cover legislative changes/guidance/cases etc., and follow-up on the most recent IPCO inspection report or good practice.

M. MAINTENANCE OF RECORDS AND OTHER MATTERS

73. The Head of Legal Services is responsible for:

- The integrity of the process in place within the public authority for the management of CHIS;
- Compliance with Part II of the Act and the Codes;
- Oversight of the reporting of any errors to the Commissioner and identifying both the cause(s) of errors and the implementation of processes to minimise the repetition of errors;
- Engagement with the IPCO inspectors when they conduct their inspections, where applicable; and
- Where necessary, oversight of the implementation of post-inspection action plans approved by the relevant oversight Commissioner.

74. The following documents must be forwarded to the Head of Legal Services by the Authorising Officer and retained by the Head of Legal Services where an authorisation has been granted:

- **The original** of the forms with any supporting documentation;
- A record for the period for which the surveillance has taken place;
- The frequency of reviews as prescribed by the Authorising Officer;
- A record of the result of each review of an authorisation;
- A record of any renewal of an authorisation, the reason why the person renewing an authorisation considered it necessary to do so, and the reasons, if any, for not renewing an authorisation;
- The date and time of any instruction by the Authorising Officer;
- A record including the date and time of any oral authorisation given by the Authorising Officer, and the reason why the case was considered urgent;
- Any risk assessment made in relation to a CHIS;
- The circumstances in which tasks were given to the CHIS;

- The value of the CHIS to the investigating authority;
- The reasons for cancelling an authorisation;
- The date and time when any instruction was given by the Authorising Officer to cease using a CHIS
- A copy of the judicial application form, and original of any order obtained from the Court.

75. The Council will retain records in the Central Register for a period of at least 3 years after the end of a period of authorisation.

Central Register of Authorisations

76. This will be maintained by the Head of Legal Services. All completed forms must be sent to the Head of Legal Services, marked "Private and Confidential", within 5 working days for the purpose of maintaining the Central Register.

77. If you need any further advice on RIPA, please contact the Head of Legal Services.

Who is responsible for overseeing compliance with RIPA?

78. The Chief Surveillance Commissioner and Surveillance Commission together with the Assistant Surveillance Commissioners have been appointed to provide independent oversight of the use of the powers contained in Part II of the Act. They will inspect the Council from time to time to ensure that the Council is complying with the Act. In addition, the 2000 Act establishes an independent tribunal. The tribunal has full powers to investigate and decide any case where a person complains about the conduct of the Council in exercising its powers that are covered by the Act.

Working with Other Organisations

79. Where another agency has been instructed by the Council to undertake any action under RIPA this must be done in accordance with this policy. The Chief Executive or appropriate Head of Service requesting the work must ensure that the agency is made explicitly aware of what they are authorised to do.

Involvement of Councillors

80. This policy and the Council's use of RIPA will be reviewed on at least an annual basis by the Head of Legal Services and by the Strategy and Resources Committee at least every four years. A report on the use of RIPA will be considered by the Audit & Scrutiny Committee at least annually. Councillors will not act as authorised officers.

Acknowledgement

In producing this policy the Council has considered the Guidance of the IPCO, the Codes of Practice. Good practice from other local authorities was considered.

List of Appendices

APPENDIX 1	LIST OF AUTHORISED OFFICERS
APPENDIX 2	RIPA FORMS
APPENDIX 3	GUIDANCE NOTE ON COVERT SURVEILLANCE OF SOCIAL NETWORKING
APPENDIX 4	QUICK RIPA CHECKLIST

APPENDIX 1 - LIST OF AUTHORISED OFFICERS

Chief Executive – Jackie King, Chief Executive

Directors – Victoria Potts, Director of Housing, Environment and Regeneration,
Director Of Corporate Services (tbc)

Head of Legal Services ¹– Piero Ionta

Other Authorised Officers (subject to receiving the appropriate training):

Head of Housing & Community – Rod Brown

Systems and Benefits Manager – Rebecca Dawes

¹ Will not normally grant authorisations, due to role in overseeing use of RIPA.

APPENDIX 2 – RIPA FORMS

Please see paragraph 4 of the Policy

The forms are available at <https://www.gov.uk/government/collections/ripa-forms--2>

List of Forms

1. Application for Authorisation to Carry Out Directed Surveillance
2. Review of a Directed Surveillance Authorisation
3. Application for Renewal of a Directed Surveillance Authorisation
4. Cancellation of a Directed Surveillance Authorisation
5. Application for Authorisation of the Use or Conduct of a Covert Human Intelligence Source
6. Review of a Covert Human Intelligence Source (CHIS) Authorisation
7. Application for Renewal of a Covert Human Intelligence Source (CHIS) Authorisation
8. Cancellation of an Authorisation for the Use or Conduct of a Covert Human Intelligence Source (CHIS)
9. [Forms relating to the Acquisition of Communications Data have been removed from the list – please speak to the Chief Legal Officer for further information]
10. Application for judicial approval for authorisation to obtain communications data, to use a covert human intelligence source or to conduct directed surveillance.

APPENDIX 3 – GUIDANCE NOTE ON COVERT SURVEILLANCE OF SOCIAL NETWORKING SITES

The purpose of this guidance note is to provide clarity on the Council's position:

1. In using social media for the gathering of evidence:
 - officers must not 'friend' individuals on social networks
 - officers should not use their own private accounts to view the social networking accounts of other individuals
 - officers viewing an individual's profile on a social networking site should do so only once in order to obtain evidence to support or refute their investigation
 - further viewing of open profiles on social networking sites to gather evidence or to monitor an individual's status, must only take place once RIPA authorisation has been granted and approved by a Magistrate
 - officers should be aware that it may not be possible to verify the accuracy of information on social networking sites and, if such information is to be used as evidence, steps must be taken to ensure its validity.
2. It is not possible to provide a definitive list of social networking sites, so this should be taken to mean any site which involves individuals creating a profile which contains personal information and is viewable by others, whether accepted as 'friends' or otherwise. This might include sites such as 'Facebook' and 'Linked-In'.
3. As the definition of 'private information' under RIPA includes: 'any information relating to a person's private or family life and should be taken generally to include any aspect of a person's private or personal relationship with others, including family and professional or business relationships' Sites used to advertise goods and services should be included within the definition. Although there is likely to be a reduced expectation of privacy with this type of site, there

is still the possibility of obtaining private information that may be subsequently used in any enforcement proceedings.

4. If an allegation is received or, as part of an investigation into an individual, it is necessary to view their social networking site, officers may access the main page of the individual's profile once in order to take an initial view as to whether there is any substance to the allegation or matter being investigated.
5. The initial viewing must be reasonable – for example, it would not be reasonable to spend any significant amount of time searching through various pages of the individual's profile or to print out several pages just in case they may reveal something useful.
6. In some cases where, for example, a link to a site is provided by a complainant, it may be relevant for the receiving officer to view the link before passing it onto the investigating officer to also view. This would count as one viewing. However, it would not be reasonable for each officer in a team to view the site in turn so that they may each gather some information.
7. If there is a need to monitor an individual's social networking site, authorisation must be obtained.
8. If the offence being investigated falls under RIPA, a formal RIPA application must be completed, authorised by an Authorising Officers and then approved by a Magistrate.

APPENDIX 4 – QUICK RIPA CHECKLIST

When is RIPA Authorisation required? If the answer is 'Yes' to all of the following questions:

Questions to ask	Matters to consider
Is the proposed activity 'surveillance'?	involving monitoring, observing or listening to persons, their movements, their conversations or their other activities or communications, recording anything monitored, observed or listened to in the course of the proposed activity and/or a surveillance device will be used.
Is it 'covert'?	carried out in a manner calculated to ensure that the target(s) will be unaware of the activity
Is it 'directed'?	for the purposes of a specific investigation/operation.
Is it likely to result in obtaining private information about this person?	information about the target /targets' private or family life is likely to be obtained.
Is it a 'foreseen/planned response'?	something other than an immediate response to events. If the proposed activity has been planned in advance, it requires authorisation if all the answers to questions 1 to 4 above have also been 'Yes'.
Is it a "core function" of the Authority?	<ul style="list-style-type: none"> • matters which relate to functions the Authority is required to carry out under statute (such as investigating benefit fraud, planning or food hygiene enforcement, licensing). is for the purpose of preventing or detecting criminal offences that are

Questions to ask	Matters to consider
	<p>either punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months' imprisonment or are related to the underage sale of alcohol and tobacco (the crime threshold)</p>
<p>does it meet Home Office requirements</p>	<p>If the answer is 'No' to any of the above questions, the proposed activity falls outside the scope of RIPA and this policy.</p>

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COMMITTEE ANNUAL REPORT 2024-2025

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author:	Will Mace, Corporate Governance & Strategy Manager
Wards affected:	(All Wards)
Appendices (attached):	Appendix 1 – Committee Annual Report 2024-2025

Summary

This report presents the Annual Report of the Audit and Scrutiny Committee 2024-2025 in accordance with the requirement of Paragraph 7.2 of Annex 4.6 of the Council's Operating Framework. It covers the work of the Committee between March 2024 and February 2025, and following agreement by the Committee, will be submitted to the next available agenda for Full Council.

Recommendation (s)

The Committee is asked to:

- (1) Note the Annual Report of the Audit and Scrutiny Committee 2024-2025 (Appendix 1) and recommend submission to Full Council.**

1 Reason for Recommendation

- 1.1 Paragraph 7.2 of [Annex 4.6](#) of the Council's Operating Framework requires the Audit and Scrutiny Committee to report annually to the Full Council on its workings, recommendations for future work programmes and amended working methods if appropriate.

2 Background

- 2.1 Attached at Appendix 1 is the draft Annual Report 2024-2025, which looks back on the work of the Committee between March 2024 and February 2025. This meeting (27 March 2025) will be included in the next year's Annual Report 2025-2026.
- 2.2 The Annual Report 2024-2025 will be presented to the next meeting of Full Council.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 No direct impacts from this report.

3.2 Crime & Disorder

3.2.1 No direct impacts from this report.

3.3 Safeguarding

3.3.1 No direct impacts from this report.

3.4 Dependencies

3.4.1 None.

3.5 Other

3.5.1 None.

4 Financial Implications

4.1 There are no financial implications in this report.

4.2 **Section 151 Officer's comments:** None arising from the contents of this report.

5 Legal Implications

5.1 There are no legal implications arising from this report.

5.2 **Legal Officer's comments:** None arising from the contents of this report.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council – Engaging, responsive and resilient Council.

6.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** No direct impacts from this report.

6.4 **Sustainability Policy & Community Safety Implications:** No direct implications from this report.

6.5 **Partnerships:** No direct impact on partnerships from this report.

7 Background papers

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

Annual Report of the Audit & Scrutiny Committee 2023-2024, 30 July 2024, Council. Online available: [Epsom and Ewell Democracy](#) [last accessed 11/02/2025].

Other papers:

- As referenced in Appendix 1.
- As referenced in Appendix 1 - [Financial Strategy Advisory Group – 31/01/25 - Public Draft Minutes \[Minute Item 17\]](#)

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Annual Report of the Audit and Scrutiny Committee 2024-2025

1. Introduction

- 1.1. This Annual Report provides the Council with an overview of the work of the Audit and Scrutiny Committee undertaken between March 2024 and February 2025. This meeting (27 March 2025) will be included in the next year's Annual Report 2025-2026.
- 1.2. The Committee met five times on 28 March 2024, 25 July 2024, 26 September 2024, 14 November 2024 and 6 February 2025. The membership has changed after the March 2024 meeting and the members' attendance are shown below.

Membership	28 March 2024 Meeting - Actual Attendance	
Councillor Steve Bridger (Chair)	1	
Councillor Robert Leach (Vice Chair)	1	
Councillor Chris Ames	1	
Councillor Rachel King	0	Councillor Christine Howells
Councillor James Lawrence	1	
Councillor Jan Mason	1	
Councillor Phil Neale	1	
Councillor Chris Watson	1	
Membership	4 meetings (25 July, 26 Sept, 14 Nov 2024 and 6 Feb 2025)	
	- Actual Attendance	- Represented by
Councillor Steven McCormick (Chair)	4	N/a
Councillor Phil Neale (Vice Chair)	4	N/a
Councillor Chris Ames	3	Councillor Rob Geleit on 26 Sept 2024
Councillor Alex Coley	4	N/a
Councillor Graham Jones	3	Councillor Kim Spickett on 25 July 2024
Councillor James Lawrence	3	Councillor Alison Kelly on 25 July 2024
Councillor Jan Mason	3	No representative on 14 Nov 2024
Councillor Alan Williamson	4	N/a

*This meeting (27 March 2025) has not been held yet at the time of writing this report and hence its attendance has not been recorded in the above table.

1.3. The Committee reviews its Work Programme at each of its meetings. The Work Programme is designed to ensure that the Committee meets its statutory and local responsibilities, and provides the Council with added value and assurance.

2. Monitoring and Improving the Council’s Governance

2.1. The Committee’s Work Programme has focused on maintaining an oversight of the Council’s framework of governance, performance, risk management, and internal control environment.

2.2. Governance can be defined as “comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.”¹ 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.”²

2.3. To ensure good governance, the Committee has considered seven reports from the Council’s independent internal audit function between March 2024 and February 2025. Six of 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.

2.4. The last report provides an overview of the new Global Internal Audit Standards, to which public sector internal audit functions will have to comply from 1 April 2025. The Council’s Internal Auditors, the Southern Internal Audit Partnership (SIAP), are guiding the Committee and officers through the standards and the updated CIPFA code to ensure the Council will fully comply.

2.5. The Head of SIAP provided their annual opinion to Committee on 25 July 2024, concluding that for the year 2023-2024, the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control was “reasonable”. The outcomes of 12 audits included in the annual opinion are as follows:³

Number and (percentage) of completed audits	Assurance Opinion - category
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¹ CIPFA (2014) *International Framework: Good Governance in the Public Sector*. London: Chartered Institute of Public Finance and Accountancy, p. 8.

² 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].

³ See SIAP (2023) *Annual Internal Audit Report & Opinion 2023-24*, Southern Internal Audit Partnership. Online available: [Epsom and Ewell Democracy](#) [Last accessed 11/02/2025].

2 (17%)	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.
6 (50%)	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.
3 (25%)	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.
1 (8%)	No Assurance – 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.

2.6. 67% of the audits received a “reasonable” or “substantial” opinion. Where weaknesses and risks have been identified through internal audit review, SIAP have worked with management to “agree appropriate corrective actions and a timescale for improvement.”⁴ The “No Assurance” report concerned planning enforcement: all management actions which were set to address the observations raised in the report have been completed, and a follow-up audit is being undertaken during Quarter 4 2024-2025. Progress on all audit improvement actions are reported within each Internal Audit progress report brought to the Committee.

2.7. The internal audit annual opinion also underpins the Council’s Annual Governance Statement (AGS). The [2023-2024 AGS](#) was approved by the Committee on 25 July 2024. 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 the actions which will be pursued in the following year. The AGS is also reviewed by external audit and included alongside their annual audit of the Council’s finances. Progress on the AGS action plan is captured in the Corporate Performance and Risk reports brought to the Committee.

2.8. In addition to the above, the Committee considered:

2.8.1. The annual report on the Council’s counter-fraud and whistleblowing arrangements.

⁴ Ibid, footnote 3.

- 2.8.2. The annual review of local [Code of Corporate Governance](#) for the Council.
- 2.8.3. The annual report on the Council's activities relating to surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA) for 2023, and the outcome report of the Investigatory Powers Commissioner's Office (IPCO) inspection in 2024 regarding the Council's compliance with the RIPA and the Investigatory Powers Act 2016.
- 2.9. The Head of Finance presented forecasts for the revenue and capital outturn for the financial year. The Committee received Quarter 1 in September 2024. Quarter 2 reports were reviewed in November, and Quarter 3 in February.
- 2.10. Revenue monitoring identifies favourable and unfavourable variances and any mitigating actions. Capital monitoring reports focus on the core capital programme, property acquisition fund, S106 developers' contributions and Community Infrastructure Levy.
- 2.11. The Committee has also received regular external audit updates throughout the financial year.
- 2.12. As agreed at Full Council in July 2023, Financial Strategy Advisory Group (FSAG) has conducted treasury management monitoring on behalf of Audit and Scrutiny Committee throughout the year. Treasury management monitoring reports and minutes are available for members to view within the FSAG's [committee papers](#). An annual FSAG treasury management report is being brought to the March 2025 meeting of this committee.

3. Scrutiny

- 3.1. Epsom & Ewell Borough Council operates a committee system form of governance. Therefore the Council is not required by law to have an overview and scrutiny committee, which was introduced under the Local Government Act 2000 as "a counterweight to the ... executive structures created by that Act".⁵ The [Localism Act 2011](#) (s. 9JA) enables a committee system authority to choose to have a scrutiny overview and committee if it wishes to. The Council resolved that the Audit & Scrutiny Committee perform this function.
- 3.2. Scrutiny is a process that centres around "provid[ing] constructive 'critical friend' challenge",⁶ and it can involve "monitoring performance [and best value],

⁵ House of Commons Library (2024) *Overview and scrutiny in local government* (p.4), Number 06520. Online available: [Overview and Scrutiny in Local Government - House of Commons Library](#) [last accessed 13/02/2025].

⁶ Ministry of Housing, Communities & Local Government (2024) *Overview and scrutiny: statutory guidance for councils, combined authorities and combined county authorities*, para. 4. Online available: [Overview and scrutiny:](#)

reviewing and evaluating services, questioning decision[s] and plans made by the [Council], listening to the concerns of local people, and where appropriate making recommendations for action and change.”⁷ Central to the legislation is the power scrutiny has to “scrutinise decisions the [Council] is planning to take, those it plans to implement, and those that have already been taken/implemented.”⁸.

- 3.3. In the year 2024-2025 the Committee has maintained its “watching brief” and horizon scanning of potential scrutiny activity by reviewing:
- 3.3.1. Four corporate performance and risk reports, which updated the Committee on the Council’s progress against its strategic objectives for 2024-2025, key performance indicators, the Corporate Risk Register, the policy committees’ risk registers, and the Annual Governance Statement action plan.
 - 3.3.2. The annual report on the Council’s progress against its Diversity, Equity and Inclusion Framework.
 - 3.3.3. The annual complaints report detailing Stage 1 and Stage 2 complaints received by the Council from 1 April 2023 to 31 December 2023. The Committee also receives reports on complaint decisions from the Local Government and Social Care Ombudsman (LGSCO) and the Information Commissioner’s Office (ICO), where the Council was found at fault. The annual report from the LGSCO was reviewed by the Committee at its [September 2024](#) meeting.
 - 3.3.4. The report on the Council’s first ‘Productivity Plan’, publication of which was a new requirement introduced by Government as part of their review of productivity across all public services and Local Government.
 - 3.3.5. The annual report on the work undertaken by the Epsom and Ewell Community Safety Partnership.
 - 3.3.6. A report in July 2024 on the Use of Delegated Powers. This report sets out the significant decisions taken by officers under delegated powers between 31 May 2023 and 3 June 2024.

[statutory guidance for councils, combined authorities and combined county authorities - GOV.UK](#) [last accessed 11/02/2024].

⁷ London Borough of Newham (2025) *Scrutiny*. Online available: [What is overview and scrutiny? – Scrutiny – Newham Council](#) [last accessed 11/02/2025].

⁸ Ministry of Housing, Communities & Local Government (2024) *Overview and scrutiny: statutory guidance for councils, combined authorities and combined county authorities*, para. 4. Online available: [Overview and scrutiny: statutory guidance for councils, combined authorities and combined county authorities - GOV.UK](#) [last accessed 11/02/2024].

- 3.3.7. During the year, the Committee has considered the aims, process, and resource implications for potential scrutiny exercises, in light of the potential value added and resource implications for their Work Programme. In this period the Committee did not undertake any standalone scrutiny exercises, and no policy committee decisions were 'called-in' for the Committee to review.

PERFORMANCE AND RISK REPORT – MARCH 2025

Head of Service:	Andrew Bircher, Interim Director of Corporate Services
Report Author:	Will Mace, Business Assurance Manager
Wards affected:	(All Wards)
Appendices (attached):	Appendix 1 – Corporate Performance Report- March 2025

Summary

The appendix to this report provides an overview of the council's performance with respect to its 2024-25 annual plan objectives, key performance indicators, corporate risks, committee risks, and annual governance statement actions.

Recommendation (s)

The Committee is asked to:

- (1) Note and comment on the performance and risk information located at Appendix 1.

1 Reason for Recommendation

- 1.1 The terms of reference for this committee includes the responsibility for reviewing the performance of the council and evaluating and monitoring progress on whether expected outcomes are being achieved in accordance with the council's strategic plans.
- 1.2 This report has been brought to the committee to aid its members in meeting these objectives.

2 Background

- 2.1 The 2024 - 2025 Annual Plan was approved by the Strategy and Resources Committee on the 25th January 2024, based on which individual service delivery plans have been produced.

3 Quarter 3 Performance Report (October 2024 – December 2024)

- 3.1 Appendix 1 comprises a corporate performance report for Quarter 3. Alongside progress updates for the Annual Plan 2024-2025, the report includes key performance indicators, the corporate risk register, the policy committee risk registers, and the annual government statement actions.
- 3.2 A key aim of the updated report is to provide a concise overview of how the council is performing, in a single document, regarding its strategic objectives, service delivery, and risks that may hinder its ability to deliver these.
- 3.3 The table below presents the summary dashboard from Appendix 1. Please note that key performance indicator information is provided on a quarterly basis, unless stated otherwise in Appendix 1. The other performance and risk information is the latest update at the time of this report’s writing. Further details can be found in Appendix 1.

Annual Plan Actions 2024-2025



RAG rating criteria:

Actions:*	Red: Behind schedule, more than 3 months	Amber: Behind schedule, up to 3 months	Green: On schedule	Blue: Completed
KPIs:**	Red: Off target - significant	Amber: Off target - marginal	Green: On target	
Risks:	High: Risk score of 12-16	Medium: Risk Score of 4-9	Low: Risk score of 1-3	
* Note: Council and policy committees can agree to revise schedules.				
** For KPIs the definition for red ‘significant’ and amber ‘marginal’ is set for each KPI individually.				

4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

4.1.1 No direct risks.

4.2 Crime & Disorder

4.2.1 No direct risks.

4.3 Safeguarding

4.3.1 None for the purposes of this report.

4.4 Dependencies

4.4.1 The production of this report is dependent on the capacity of other service areas and committees to consider and contribute to its content.

4.5 Other

4.5.1 None: corporate and committee risks are included in Appendix 1.

5 Financial Implications

5.1 No financial implications for the purposes of this report.

5.2 **Section 151 Officer's comments:** None arising from the contents of this report.

6 Legal Implications

6.1 No legal implications for the purposes of this report.

6.2 **Legal Officer's comments:** None arising from the contents of this report.

7 Policies, Plans & Partnerships

7.1 **Council's Key Priorities:** The following Key Priorities are engaged: Green & Vibrant, Safe & Well, Opportunity & Prosperity, Smart & Connected, Cultural & Creative, Effective Council.

7.2 **Service Plans:** The matter is reflected in the 2024-2025 Service Delivery Plan.

7.3 **Climate & Environmental Impact of recommendations:** The Annual Plan reflects some objectives relating to climate change.

7.4 **Sustainability Policy & Community Safety Implications:** The Annual Plan reflects some objectives relating to community safety and enforcement.

- 7.5 **Partnerships:** Successful achievements of some objectives will require work with partners.

8 Background papers

- 8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- 8.2 Epsom and Ewell Borough Council – Corporate Performance Report February 2025, Audit & Scrutiny Committee, 6 February 2025 Online available: <https://democracy.epsom-ewell.gov.uk/documents/s34580/Performance%20and%20Risk%20Report%20February%202025.pdf> [Last accessed: 13/02/2025]

Others:

- 8.3 Epsom and Ewell Borough Council - Audit and Scrutiny Committee: Terms of reference. Online available: <https://democracy.epsom-ewell.gov.uk/mgCommitteeDetails.aspx?ID=157>[Last accessed: 10/12/2024]



Corporate Performance Report

Quarter 3 2024-2025

Annual Plan Progress

Each year we prepare an Annual Plan, which contains objectives and actions that will deliver on the themes outlined in our Four Year Plan.


RAG Status*

Red/off track: Behind schedule, more than 3 months **Amber/Slippage:** Behind schedule, up to 3 months



Green/On track: On schedule **Blue:** Completed

* Note: Council and policy committees can agree to revise schedules.

Action Expected Outcome	
Completed	11
Off track	3
On track	10

No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	Commentary	Latest Update
AP24/5.1	Finance Service; Strategy & Resources Committee	Set a balanced budget.	Set balanced budget, progressing towards removing reliance on the use of reserves to fund day-to-day services.	31-Mar-2025		Current projections are for a balanced budget for 2025/26	14-Jan-2025



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No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	Commentary	Latest Update
AP24/5.2	Executive Office; Strategy & Resources Committee	Sustainable budget plan	Plan developed by completion date, to be followed by implementation as agreed in the plan. Deliver a plan in conjunction with Budget Policy Chairs and Vice Chairs that will have a multi-year programme of prioritised service reviews as part of the budget making process in successive years with the aim of delivering sustainable budgets through the MTFS 2024-28. Consider opportunities for collaborative work with other organisations	31-Jul-2024		This item has been completed. Service Review Plan agreed at Strategy & Resources Committee in July 2024.	24-Jan-2025
AP24/5.3	ICT Service; Strategy & Resources Committee	Deliver ICT Strategy objectives	Deliver the ICT Strategy's 2024/25 road map objectives	31-Mar-2025		The updated version of the ICT Strategy was reviewed and its recommendations approved at S&R on the 28th January 2025. It has also been subject to review by SIAP and we have received the final report back from them.	11-Feb-2025

No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	Commentary	Latest Update
AP24/5.4	Executive Office; Strategy & Resources Committee	Develop operational project plan for Town Hall move	a)Develop full operational project structure, plan and associated documentation for the Town Hall move to 70 East Street and progress delivery, b) Prepare a high level roadmap/timeline for councillors including key workstreams, deliverables and budget/costs c)Regular progress updates on (a) and (b) above to be provided via Strategy & Resources Committee Chairs' meetings and budget Policy Chairs	31-Jul-2024	●	This item has been completed. The operational project plan is regularly monitored. A high level timeline and budget monitoring update report is being produced on a monthly basis for the S&R Committee Chair's monthly meeting. The first written report will be submitted to the November monthly meeting.	24-Jan-2025
AP24/5.5	Property Regeneration Service; Strategy & Resources Committee	Proposals for future of current Town Hall site	Decision made by Full Council on the proposals around the development / disposal of the current Town Hall site.	31-Dec-2024	●	Slippage due to additional work requested of our consultants who will report back.	21-Feb-2025
AP24/5.6	Policy and Corporate Resources Service; Strategy & Resources Committee	Review and update the Procurement Strategy, CSOs and associated documents	Strategy updated and approved by Strategy & Resources Committee by "Completion Date". This objective is dependent on the when the Government adopts the new legislation.	31-Mar-2025	●	Full Council approved the updated CSOs on the 10th December 2024. Officer training has now been arranged for March 2025, and updates to the Procurement Strategy and associated documents are currently underway.	11-Feb-2025
AP24/5.7	Property Regeneration Service; Strategy & Resources Committee	Develop the scope and terms of reference for a detailed Asset Management Plan review	Report submitted to Strategy & Resources Committee Chairs by "Completion Date".	31-Jul-2024	●	This item has been completed. It was presented to Strategy & Resources Committee Chair / Vice Chair on 26 September 2024.	24-Jan-2025

No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	Commentary	Latest Update
AP24/5.8	Property Regeneration Service; Strategy & Resources Committee	Develop a new Property Strategy	Report submitted to Strategic Leadership Team and agreed at Full Council by "Completion Date".	31-Mar-2025	●	This item has been completed. A new property strategy is not required as principles are covered in the Homelessness and Rough Sleeping Strategy.	24-Jan-2025
AP24/5.9	Policy and Corporate Resources Service; Strategy & Resources Committee	Embed a Risk Management Strategy ethos	Embed a Risk Management Strategy ethos in the delivery of services and review of policy. Risk Management Strategy reviewed and approved annually by Strategy & Resources Committee by "Completion Date".	30-Nov-2024	●	This item has been completed. <ul style="list-style-type: none"> Updated Risk Management Strategy reviewed and approved by S&R Committee (12/11/24), incl. revisions to further embed RMS ethos. Target met to complete delivery of this Action. Proposals submitted to close P-Hub implementation incl. on-going actions to further embed RMS ethos. Further embedding actions will continue as BAU for BA team. Plans for Risk Appetite Workshop continuing. 	24-Jan-2025
AP24/5.10	Executive Office; Strategy & Resources Committee	Corporate Peer Challenge report and adopt an action plan.	Draft report submitted to Strategic Leadership Team and agreed at Full Council by "Completion Date".	30-Sep-2024	●	This item has been completed. The action plan was adopted at the Strategy & Resources Committee on 23 July 2024.	28-Jan-2025
AP24/5.11	Licensing & Planning Policy Committee; Place Development Service	Progress the Local Plan toward Regulation 19 submission.	<ul style="list-style-type: none"> Progress the Local Plan toward Regulation 19 submission. Submit the final version of the Town Hall Master Plan to LPPC in Autumn 2024. Publish the revised Infrastructure Delivery Plan alongside the Regulation 19 Consultation. 	31-Mar-2025	●	This item has been completed. Regulation 19 Submission was agreed by the LPPC on 20 November 2024 and it was endorsed by the Council on 10 December 2024.	24-Jan-2025
AP24/5.12	Licensing & Planning Policy Committee; Place Development Service	Implement CIL spending protocol	Projects evaluated and recommendations taken to Licensing and Planning Policy Committee	30-Nov-2024	●	This item has been completed. On 12 November 2024, the Strategy and Resources Committee approved CIL funding bids for the 2024 funding allocation.	24-Jan-2025

No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	Commentary	Latest Update
AP24/5.13	Community & Wellbeing Committee ; Housing and Communities Service	Deliver of the Arts, Cultural and Heritage Strategy	Deliver 2024-2025 objectives	31-Mar-2025	●	Two new murals were completed at Epsom Playhouse in January 2025 championing the 40-year history of Epsom Playhouse. Both murals were fully funded by the Arts, Culture and Heritage UKSPF funding allocation. Bloomberg Connects Tour - final stages of uploading in place. On track for March 2025 completion. Other deliverables attributed to 2024/25 ACH workplan are underway and on track for March 2025 completion.	24-Jan-2025
AP24/5.14	Community & Wellbeing Committee ; Housing and Communities Service	Deliver and implement revised Health and Wellbeing Strategy and deliver the 2024/25 objectives	<ul style="list-style-type: none"> • In year objectives delivered • Strategy submitted to committee 31/07/2024 	31-Mar-2025	●	A report was submitted to the Community and Wellbeing Committee on 16 January 2025. It agreed the Health and Wellbeing priorities for the new strategy. The full strategy is due back to committee in March 2025, with a view to then move to public consultation.	28-Jan-2025
AP24/5.15	Community & Wellbeing Committee ; Housing and Communities Service	Implement the Homelessness and Rough Sleeper Strategy	<ul style="list-style-type: none"> • In year objectives complete, including updating empty homes policy. • Quarterly reports to the Community & Wellbeing Committee Chairs meeting. • Housing event held • and network operational. 	31-Mar-2025	●	The majority of actions are either complete or on track. They were reported to the Community & Wellbeing Committee in July 2024. Another update was provided to the Committee in October 2024. The next update will be in March 2025.	11-Feb-2025
AP24/5.16	Community & Wellbeing Committee ; Policy and Corporate Resources Service	Leisure Centre contract retender	<ul style="list-style-type: none"> • Tender milestones achieved, and • briefing note prepared for S&R and C&W Committee Chairs and Vice Chairs. • In year objectives delivered. 	31-Mar-2025	●	Project on track: the tender opportunity is due to close on the 12th February 2025, after which officers will begin reviewing the bid documentation.	11-Feb-2025

No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	Commentary	Latest Update
AP24/5.17	Community & Wellbeing Committee ; Housing and Communities Service	Implement a programme of "modular homes"	<ul style="list-style-type: none"> • Report submitted to Strategic Leadership Team and • agreed at with relevant Policy Committee Chairs by "Completion Date". 	31-Jul-2024		The original plan was for a programme of modular homes. As funding for this has been withdrawn, currently the only site being progressed is Fairview Road. Councillors have asked officers to consider what other opportunities there are to deliver on a wider programme of modular homes.	21-Feb-2025
AP24/5.18	Community & Wellbeing Committee ; Operational Services	Venue income generation programme	<ul style="list-style-type: none"> • Initiatives presented to relevant policy committee Chairs and • quarterly update to Community & Wellbeing Committee Chairs meetings. 	31-Mar-2025		<ul style="list-style-type: none"> • Income generation remains strong at venues with good numbers of users, bookings and attendance at events. • Initiatives will continue to be presented and updated to the Community & Wellbeing Committee Chairs on a quarterly basis. • The success of each initiative will also be reported at these quarterly meetings. • 2024 Financial year income objective is building on the cafe, and hire of space within Bourne Hall. • Within the Community Wellbeing Centre we will report back the initiative of higher needs. • The Playhouse will be focusing on the ice cream, snacks and beverage revenue offering after the renovation works have been completed. 	14-Feb-2025

No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	Commentary	Latest Update
AP24/5.19	Environment Committee; Place Development Service	Deliver Climate Change Strategy objectives.	<ul style="list-style-type: none"> • Deliver the 2024-2025 objectives. 	31-Mar-2025		<ul style="list-style-type: none"> • New 5 year Climate Change Action Plan published and in effect • Bourne Hall Solar Installed and operational • Rainbow Leisure Centre PV installation commenced and project due to complete by the end of the financial year • Bourne Hall window replacement permission granted - due to start by end of January. • Tree Planting (approx. 2,610) underway to be concluded end of March 2025 • Green your home guide nearing completion and due to be published by the end of February 2025 • Annual and five year progress updates being prepared for Environment Committee. Note: 16% reduction in councils operations emissions as of 23/24 • Heat Decarbonisation Plan for Bourne Hall - final report received - awaiting internal approval - once approved grant funding can be reclaimed 	17-Jan-2025
AP24/5.20	Environment Committee; Operational Services	Pet crematorium and memorial garden, feasibility and business case	<ul style="list-style-type: none"> • A feasibility report and business case for providing a pet crematorium and memorial garden in the Borough • Report submitted to S&R Committee for consideration. 	31-Oct-2024		<p>This action has been completed.</p> <p>A report was submitted to the Strategy and Resources Committee on 28 January 2025. The Committee agreed to pause further work until there is greater clarity regarding the implications of Local Government Reorganisation.</p>	11-Feb-2025







No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	Commentary	Latest Update
AP24/5.21	Environment Committee; Operational Services	Monitor and respond to developments in Government Waste Strategy	<ul style="list-style-type: none"> Briefings provided to Environment Committee on any forthcoming developments or opportunities. 	31-Mar-2025	●	<ul style="list-style-type: none"> Defra had informed the Council that a response would be provided after 7 January 2025 regarding our appeal of the £671k EPR funding. The Council is waiting for the response. New, non-consulted government requirement to separate paper and card for recycling unless unable to do so due to Technical, Economical or Environmental impracticability. The Senior Leadership Team reviewed this on 23 January 2025 and agreed that we are currently unable to comply due to Technical impracticability, i.e. lack of disposal route being provided by SCC which seems unlikely to change in the short term. This reason will be documented according to Defra format by 31 March 2025. This matter will be picked up by successive authorities through Local Government Reorganisation. 	21-Feb-2025
AP24/5.22	Environment Committee; Operational Services	Develop cemetery lease renewals policy	<ul style="list-style-type: none"> Draft policy submitted to the Strategic Leadership Team and Agreed at Environment Committee by "Completion Date". 	30-Nov-2024	●	<p>This item has been completed.</p> <p>A report of the Grave Lease Extensions was approved by the Environment Committee on 21 January 2025.</p>	24-Jan-2025
AP24/5.23	Crime & Disorder Committee; Housing and Communities Service	Adopt and deliver the Community Safety Action Plan	<ul style="list-style-type: none"> In year objectives delivered. 	31-Mar-2025	●	<p>The Plan had been consulted and it was adopted in January 2024. It runs for 2 years. It is estimated that 50% of the Plan will be completed by March 2025 and 100% by end of 2025.</p>	24-Jan-2025
AP24/5.24	Crime & Disorder Committee; Housing and Communities Service	Progress actions from the CSP review recommendations	<ul style="list-style-type: none"> Outstanding objectives delivered or funding bids sought 	31-Mar-2025	●	<p>This action has been completed.</p> <p>In consultation with the Chair of the Crime and Disorder Committee it has been decided to close this action as the outstanding areas in the review require resource which is unavailable.</p>	11-Feb-2025

Summary of Key Performance Indicators



Key*

Red/Alert: Off target - significant Amber/Warning: Off target - marginal Green/Ok: On target






*For KPIs the definition for red/warning, amber/alert and green/ok is set for each KPI individually.

PI Status		Long Term Trends		Short Term Trends	
	Alert		Improving		Improving
	Warning		No Change		No Change
	OK		Getting Worse		Getting Worse
	Unknown				
	Data Only				

Community & Wellbeing Committee





Key Performance Indicator	Status
Number of Households Living in Nightly Paid Accommodation	
Number of Successful Preventions From Homelessness	

Environment Committee















Key Performance Indicator	Status
Car Park Visitor Numbers	
Car Park Revenue (£k)	
Parking Penalty Charge Notice Appeals Responded to in 10 Working Days	
Waste Collected	
Waste Sent for Recycling	


Agenda Item 8
Appendix 1

Licensing & Planning Policy Committee

Key Performance Indicator	Status
Major Planning Applications Decided in Time	
Minor Planning Applications Decided in Time	
Other Planning Applications Decided in Time	
Planning Appeals Against the Council's Refusal of Planning Dismissed by the Inspector	

Strategy & Resources Committee

Key Performance Indicator	Status
Council Tax Collected	
Non Domestic Rates Collected	
Forecast Outturn vs Budget (£m)	
Forecast Income from Treasury Management Investment (£k)	
Number of Stage 1 Complaints Received	
Number of Stage 2 Complaints Received	
Average Time Taken (days) to Process Stage One Complaints	
Average Time Taken to Process Stage Two Complaints	
Average Number of Days of Staff Sickness	
Short-term Staff Sickness (Av. no days)	
Long term sickness absence (Av. no.of days)	
Staff Turnover (voluntary)	
Council Owned Vacant Property Rate (%)	
Completion Rates for ALL Property Maintenance Works	

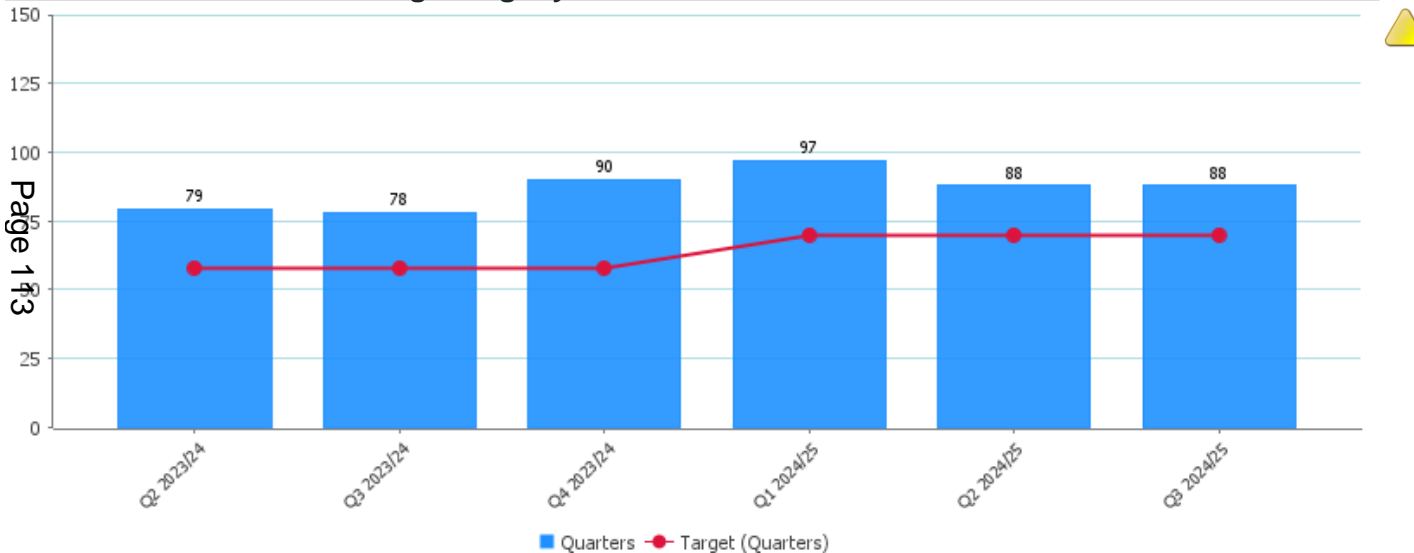
Key Performance Indicator	Status
Completion Rate for PRIORITY 1 Property Maintenance Works	

Corporate Key Performance Indicator Charts

Traffic Light	
Red	2
Amber	3
Green	17
Data Only	4

Community & Wellbeing Committee

Number of Households Living in Nightly Paid Accommodation

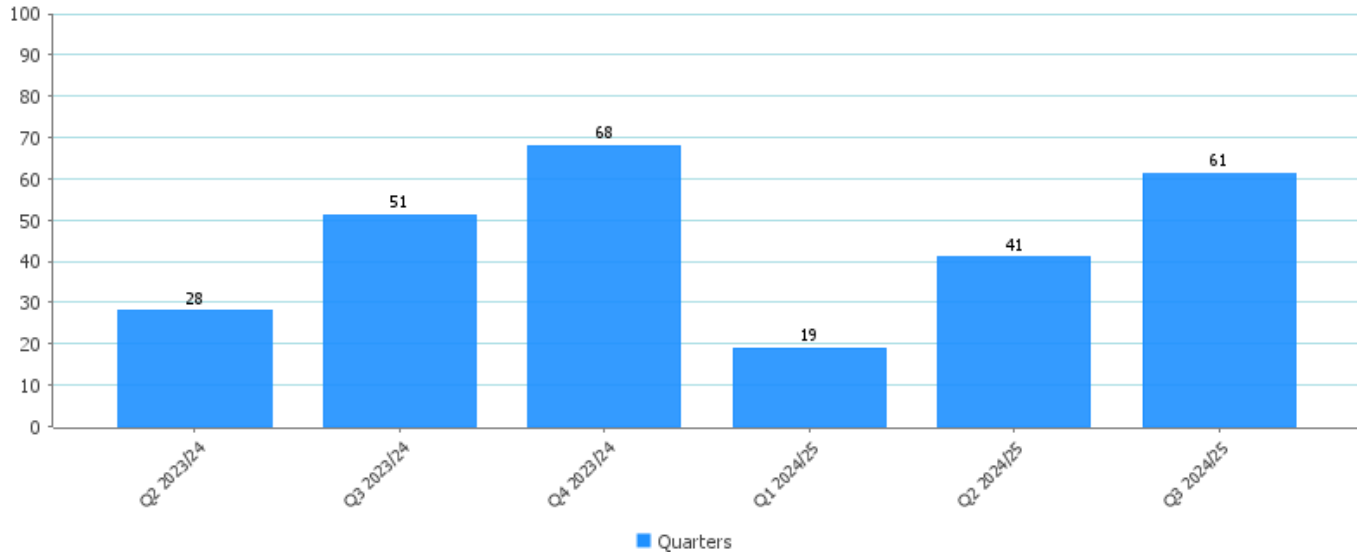


29-Jan-2025

- The no. of households is currently off target in relation to the budget, and the cost of supporting homelessness is therefore above budget. The current forecast for the year is 90, above the budget set value of 70. The additional expenditure will be met through a combination of the original budget, homelessness grant reserve and the Council's contingency for inflationary pressures and general fund balance.

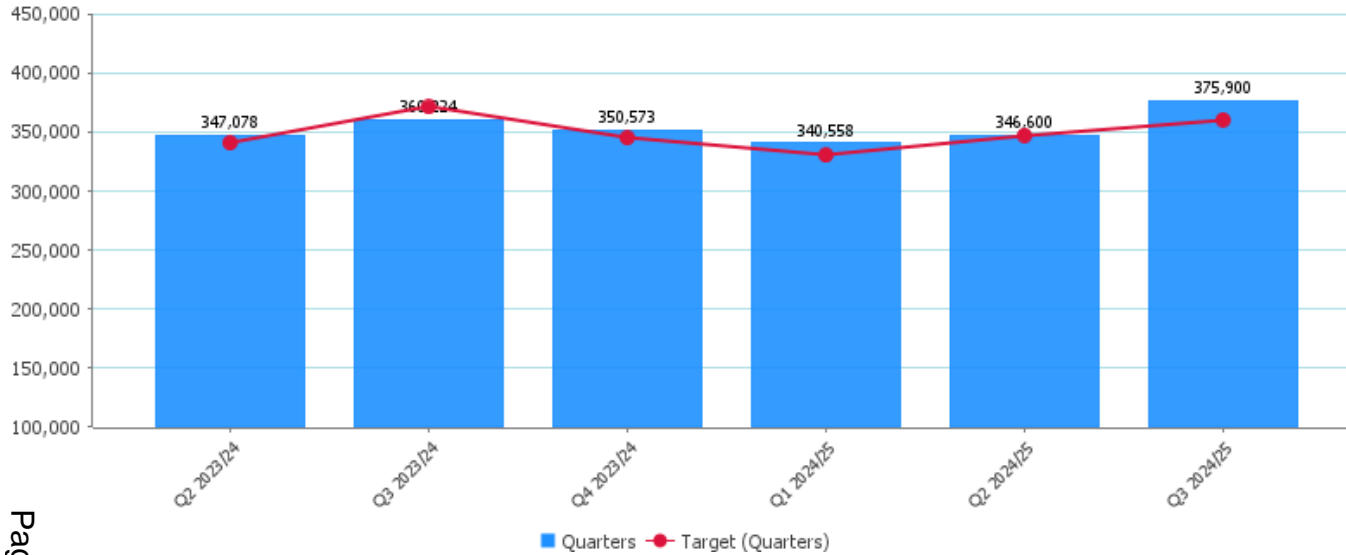
Number of Successful Preventions From Homelessness

17-Jan-2025



Cumulative total for year up to Q3

Car Park Visitor Numbers

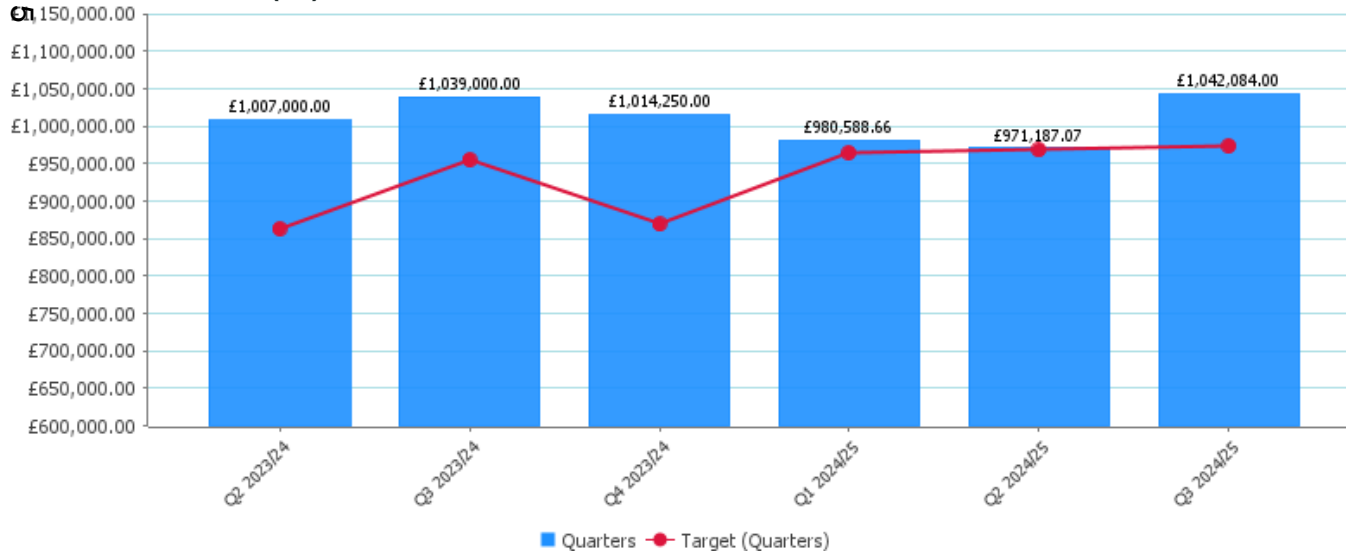


24-Jan-2025

• The new Ashley Centre car park operating system has brought with it an increase in visitor numbers. Depot Road and Upper High Street have also shown significant increases when compared to the same period last year. • The target in 24/5 is based on the previous year's actuals, so readers will see some fluctuations.

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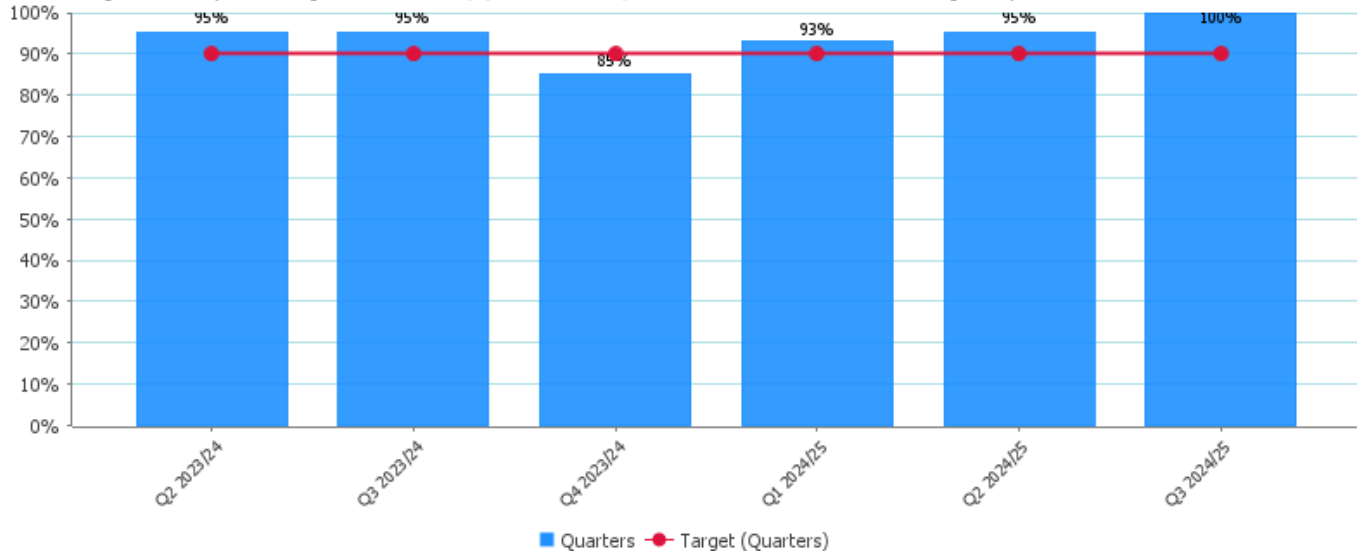
Car Park Revenue (£k)



14-Feb-2025

Increasing visitor numbers is also reflected in an increase in car parking revenue.

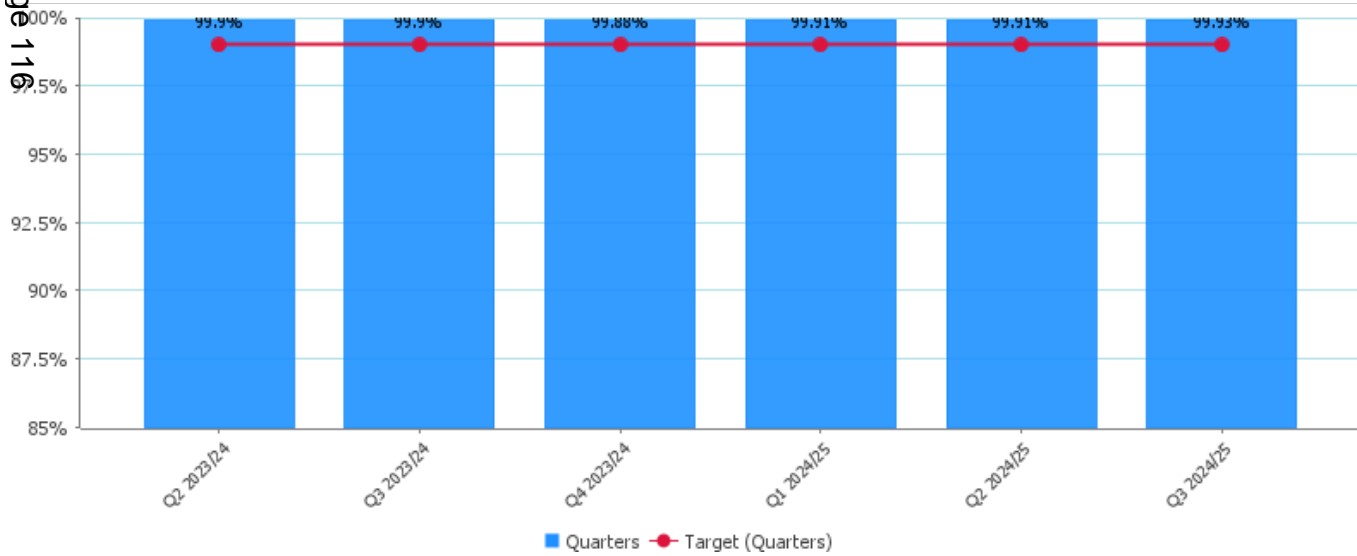
Parking Penalty Charge Notice Appeals Responded to in 10 Working Days



27-Jan-2025

All appeals dealt with within 10 working days.

Waste Collected

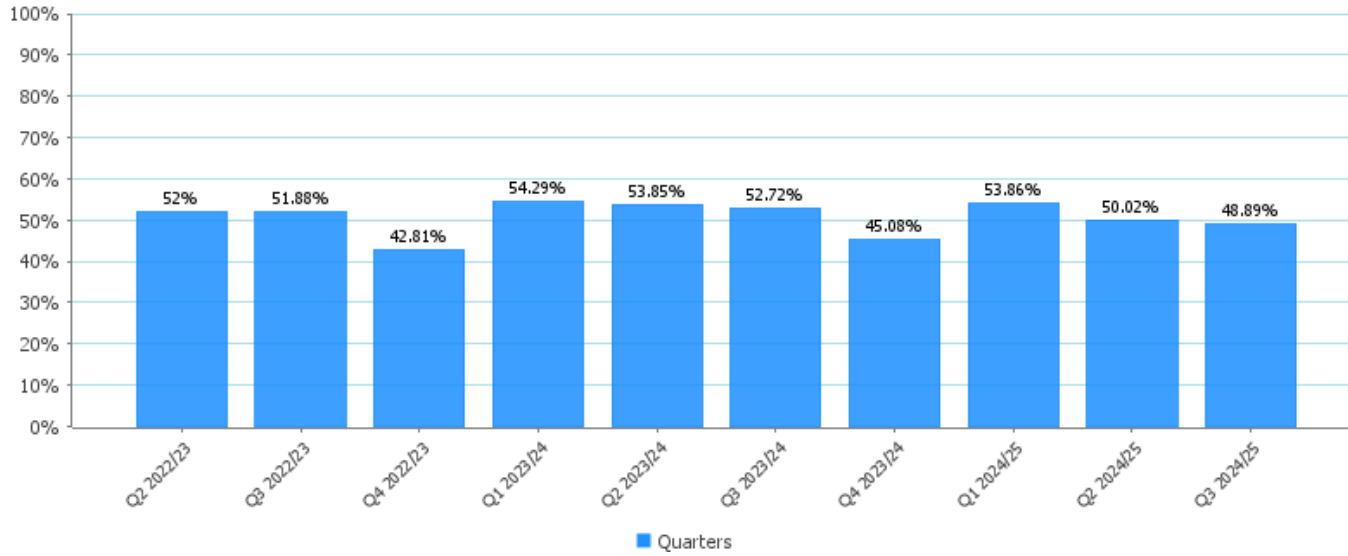


24-Jan-2025

Very good missed bins performance in Q3.

Waste Sent for Recycling

26-Feb-2025



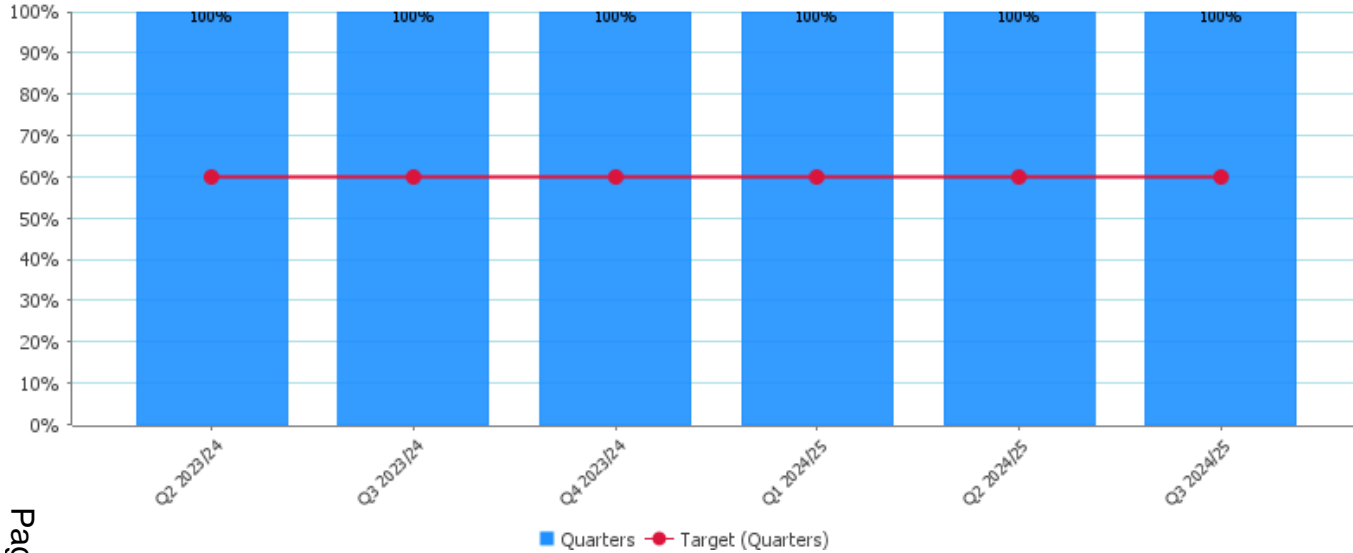
Q3 2024/25 was 1.32% lower than Q3 2023/24 due to:

- 112 tonnes higher fly tips this year
- 163 tonnes less mixed recycling this year
- 66 tonnes less glass this year
- 47 tonnes less food this year
- 41 tonnes less garden waste this year

We see a general decline in recycling which Operational Services seek to quell through publicity actions in the spring, including a 'No food waste' sticker on refuse bins (last time we did this in 2016 it increased food waste recycling by a fifth).

- We do not have a target for this indicator yet although further investigation is underway including to reflect seasonal impacts. For information the Surrey average is 51.8%.
- *Seasonal variations are evident in the production of waste, so it is better to make comparisons with the same quarter last year rather than the last quarter*

Major Planning Applications Decided in Time

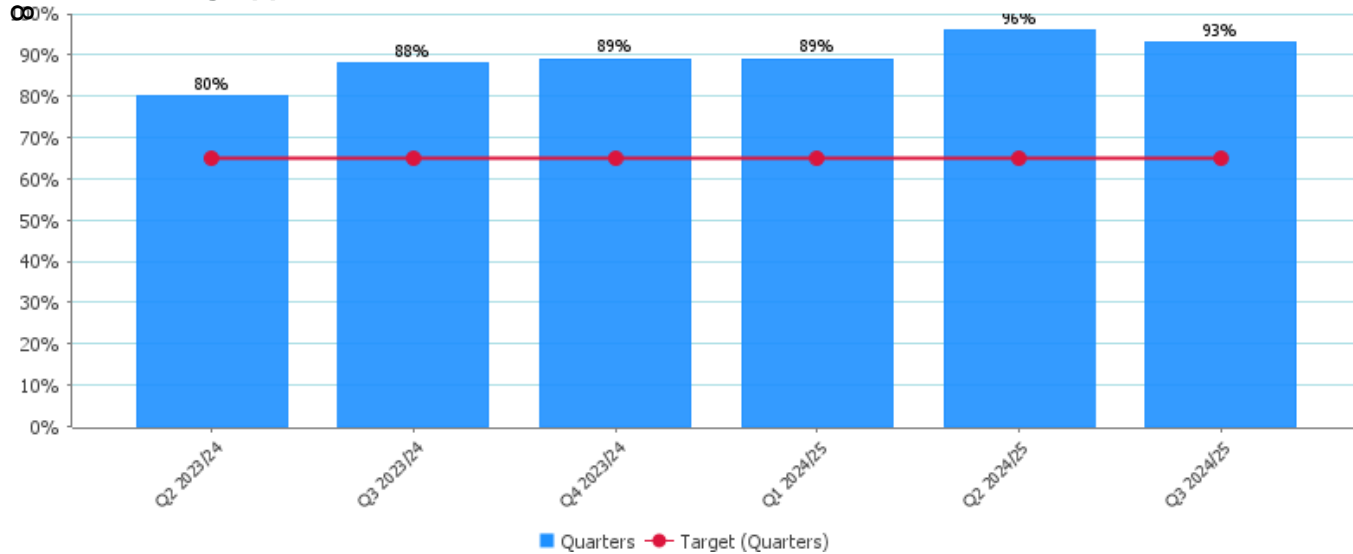


17-Jan-2025

Performance remains very strong following completion of improvement actions.

Page

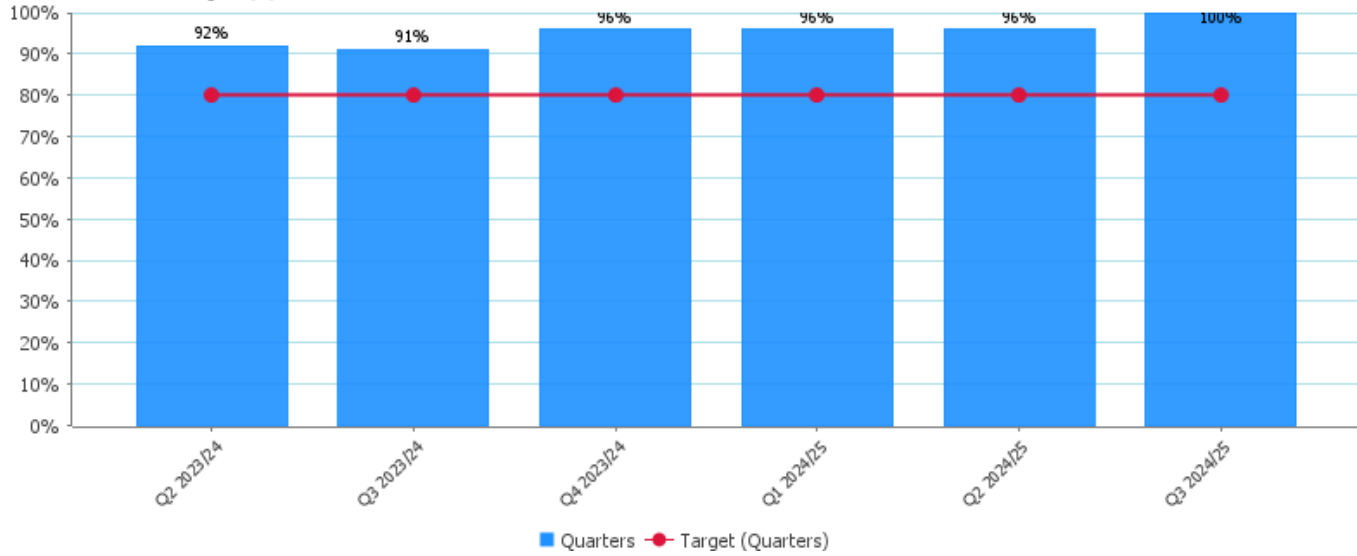
Minor Planning Applications Decided in Time



17-Jan-2025

Performance remains very strong following completion of improvement actions.

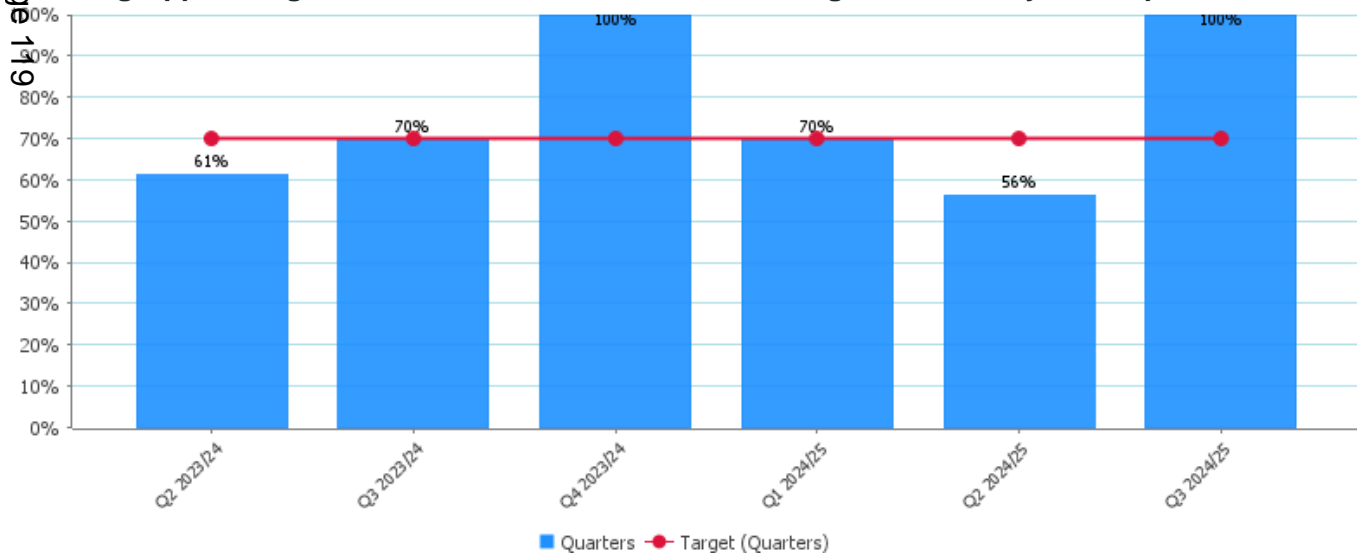
Other Planning Applications Decided in Time



17-Jan-2025

Performance remains very strong following completion of improvement actions.

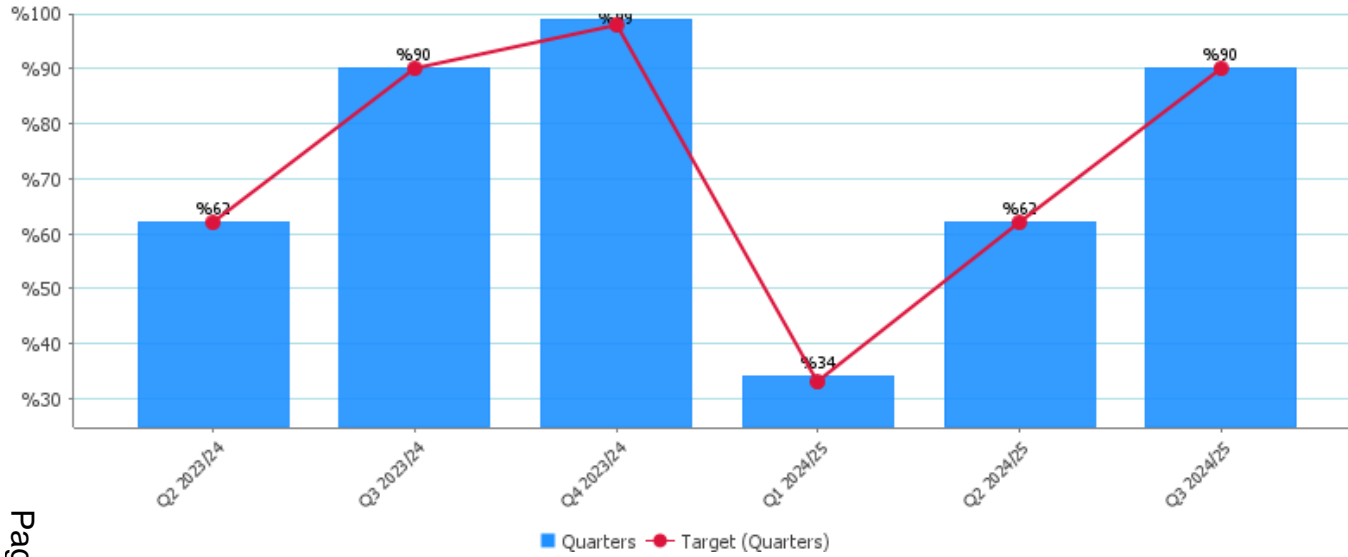
Planning Appeals Against the Council's Refusal of Planning Dismissed by the Inspector



25-Feb-2025

- Average appeal performance over a longer period remains strong, although the small number of appeals per Quarter means a small number of decisions can impact the overall percentage.
- For this quarter 12 out of 12 appeals against the Councils decisions were dismissed.

Council Tax Collected

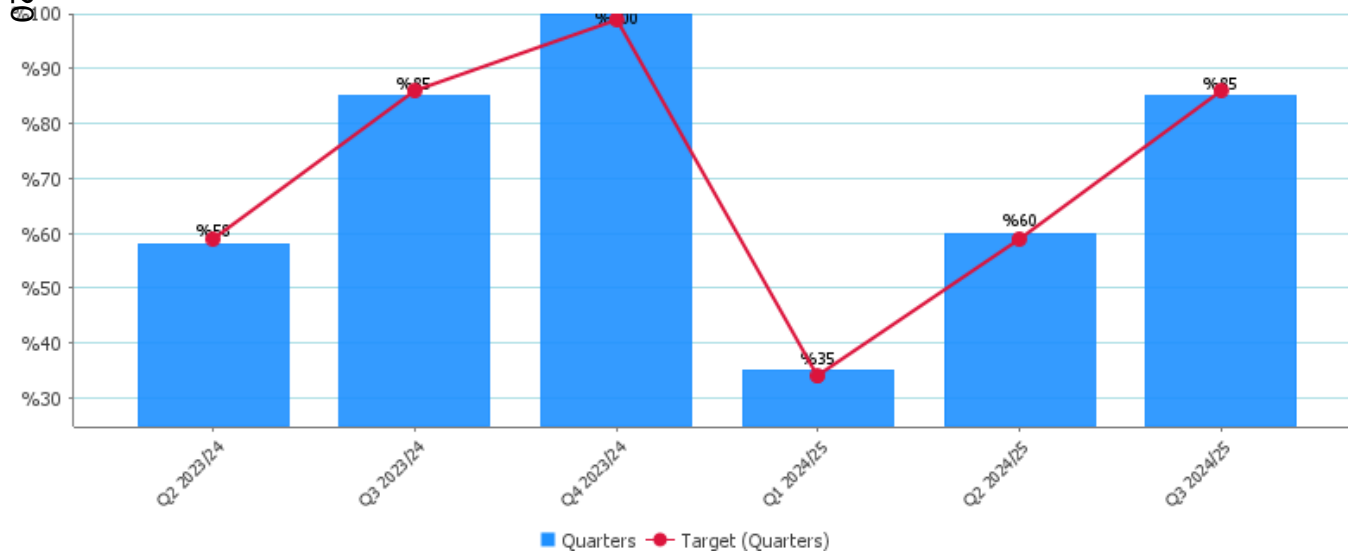


28-Jan-2025

- Collections are on target.

Page 20

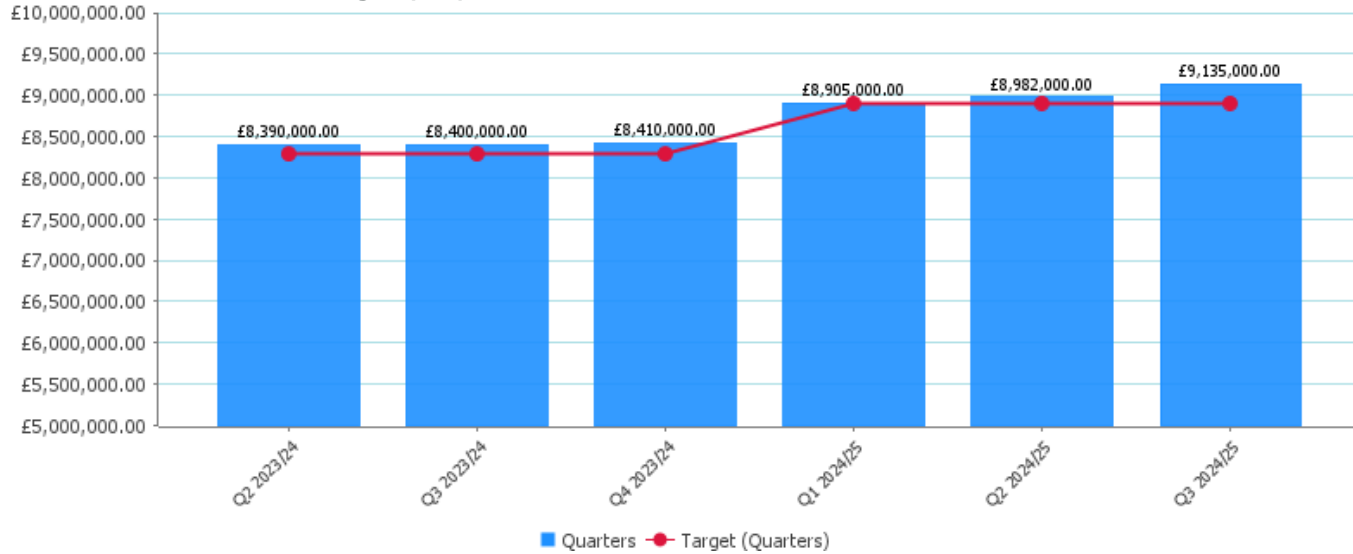
Non Domestic Rates Collected



28-Jan-2025

- 85% collected against profile of 86%

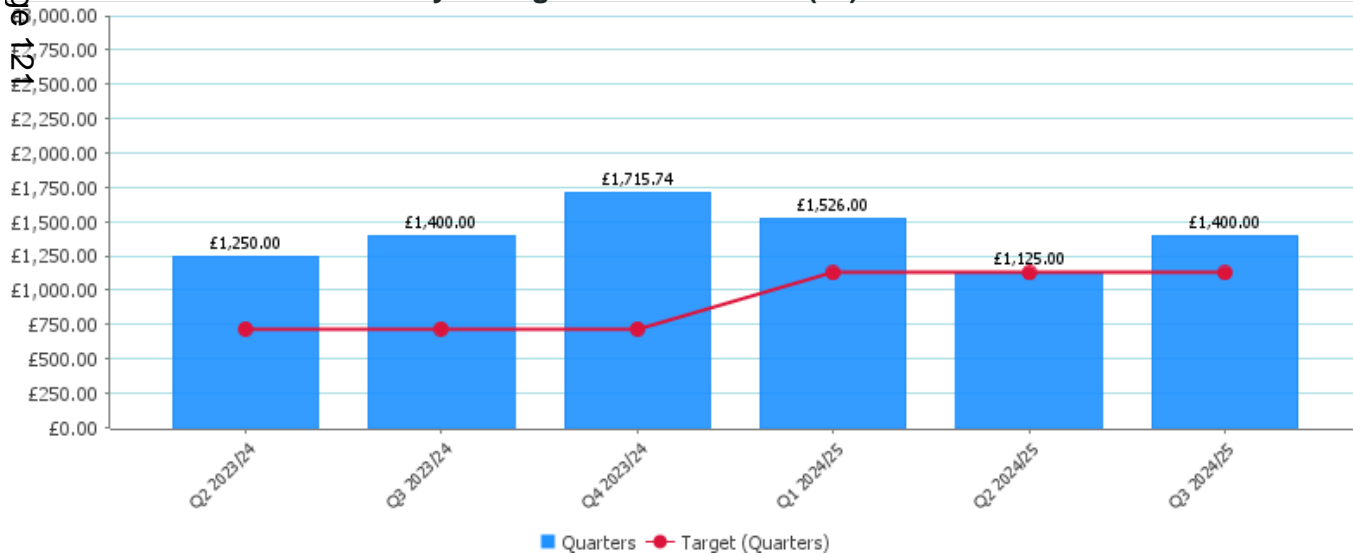
Forecast Outturn vs Budget (£m)



14-Feb-2025

Updated to reflect Q3 revenue monitoring. Went to Audit & Scrutiny on 6 Feb 2025.

Forecast Income from Treasury Management Investment (£k)

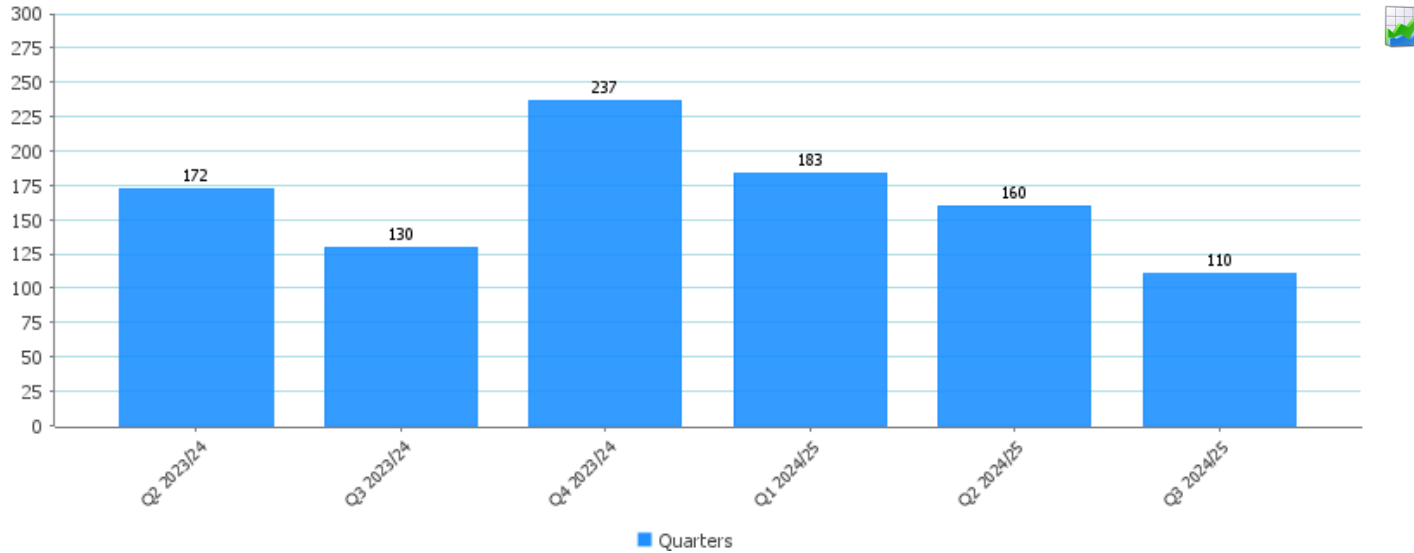


17-Feb-2025

Updated as per Quarter Three revenue monitoring - went to Audit & Scrutiny Committee on 6 February

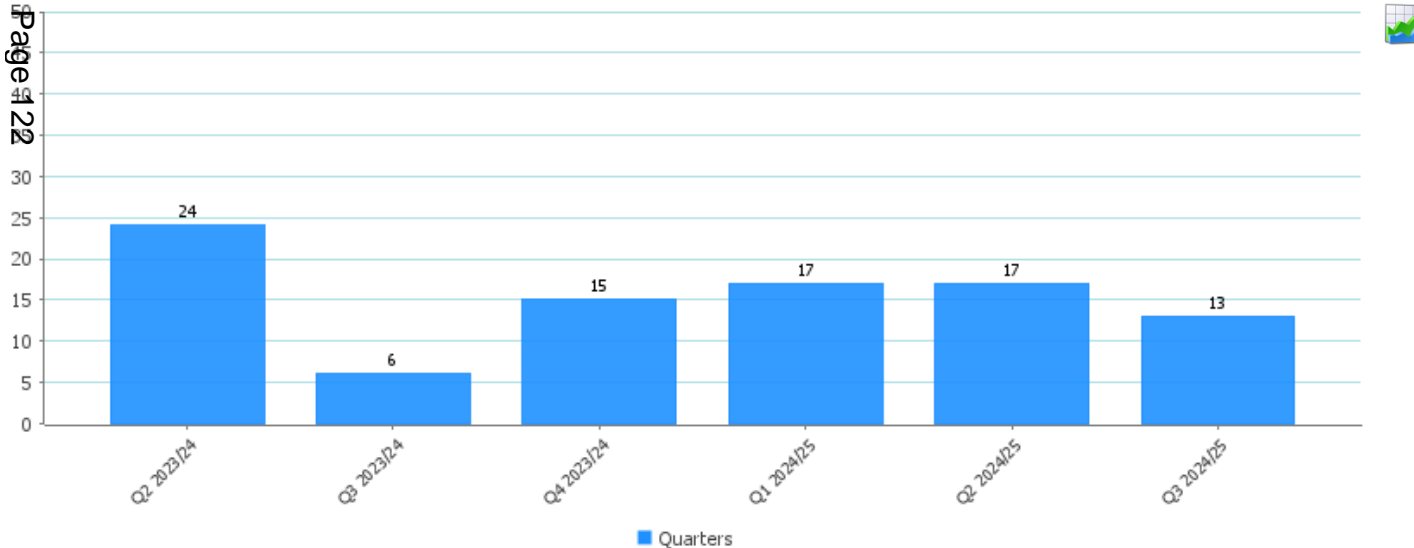
Number of Stage 1 Complaints Received

24-Jan-2025



- There was 110 stage 1 complaints received between October and December 2024, showing a significant drop over the past year. This could be partly due to the complaints training being carried out by Customer Services to managers across the organisation to refresh knowledge. There are also less complaints received in December normally due to the Christmas period.
- The majority of the complaints received were for Refuse and Recycling, with the second highest complaints related to car parks.
- Historically, we received very little to no complaints about Licensing, but there has been a slight increase due to delays in the service.

Number of Stage 2 Complaints Received



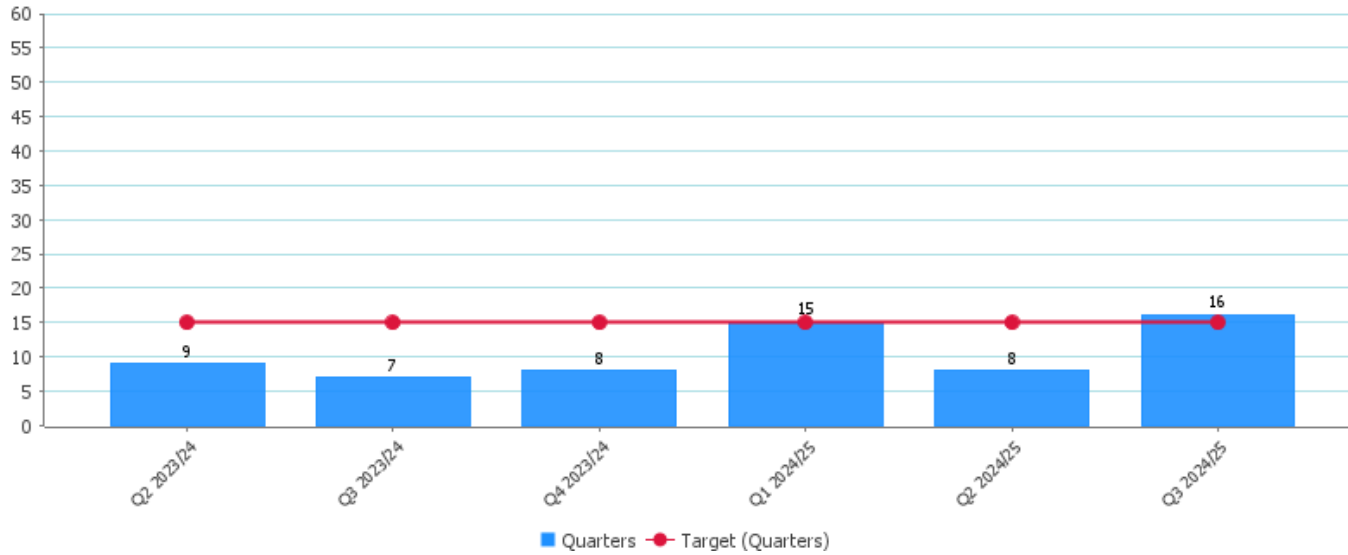
24-Jan-2025

The number of stage 2 complaints received from October - December 2024 has decreased slightly from the previous period. The majority of these are from the Planning and Planning Enforcement teams from one individual.

Other stage 2 complaints from this period include a mix of Refuse & Recycling, Streetcare, and Council Tax. The reasons for complaints escalating to a stage 2 mostly include the original issue not being resolved, or that the customer was unhappy with the response at stage 1.

Average Time Taken (days) to Process Stage One Complaints

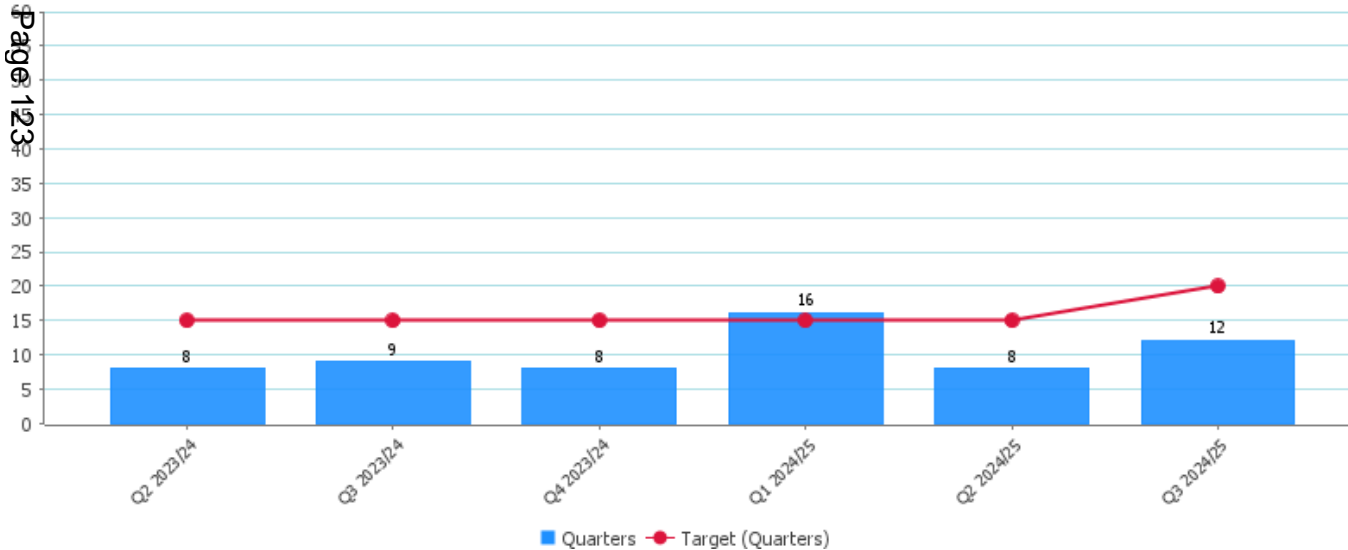
28-Jan-2025



- The time taken to respond to stage 1 complaints has increased from last quarter to this quarter. It has risen from 8 days to 16 days on average, taking us slightly over the target of 15 working days.

- This is partly due to resource shortages and we should now be back on track, and to combat this going forward, we have identified some extra resource and improved internal processing systems.

Average Time Taken to Process Stage Two Complaints



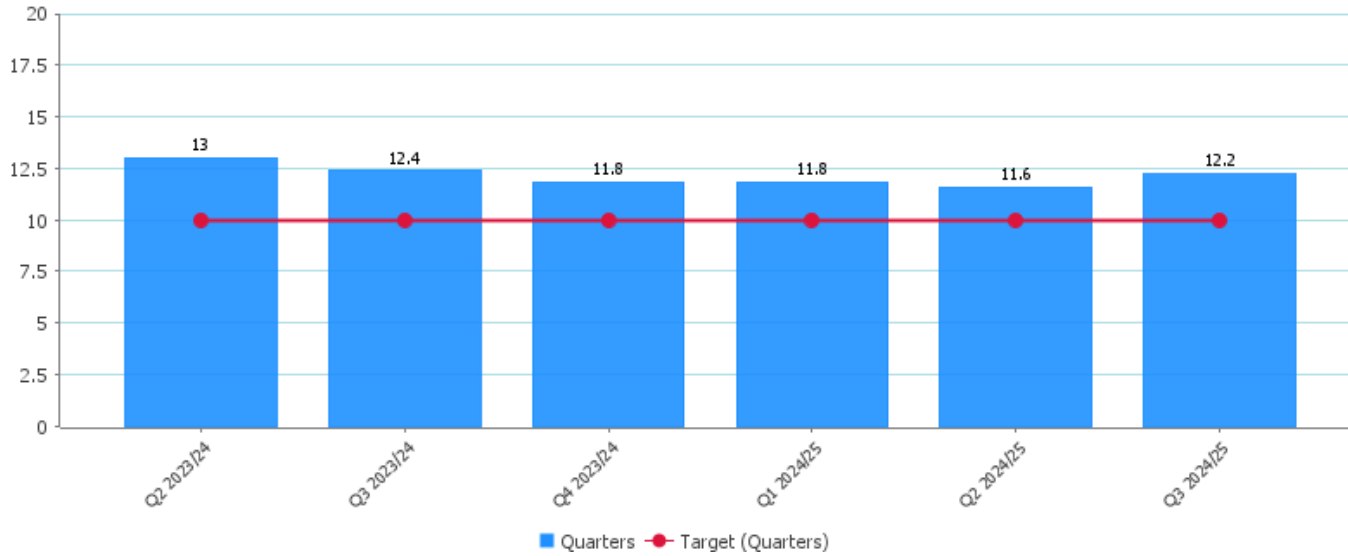
28-Jan-2025

- The target for completing stage 2 complaints has now changed to 20 working days as per our Complaints Policy.

- We are still keeping well below the 20 working days, but the timeframe for responses for this quarter has increased from 8 working days to 12 working days. This is most likely due reduced resource during the period.

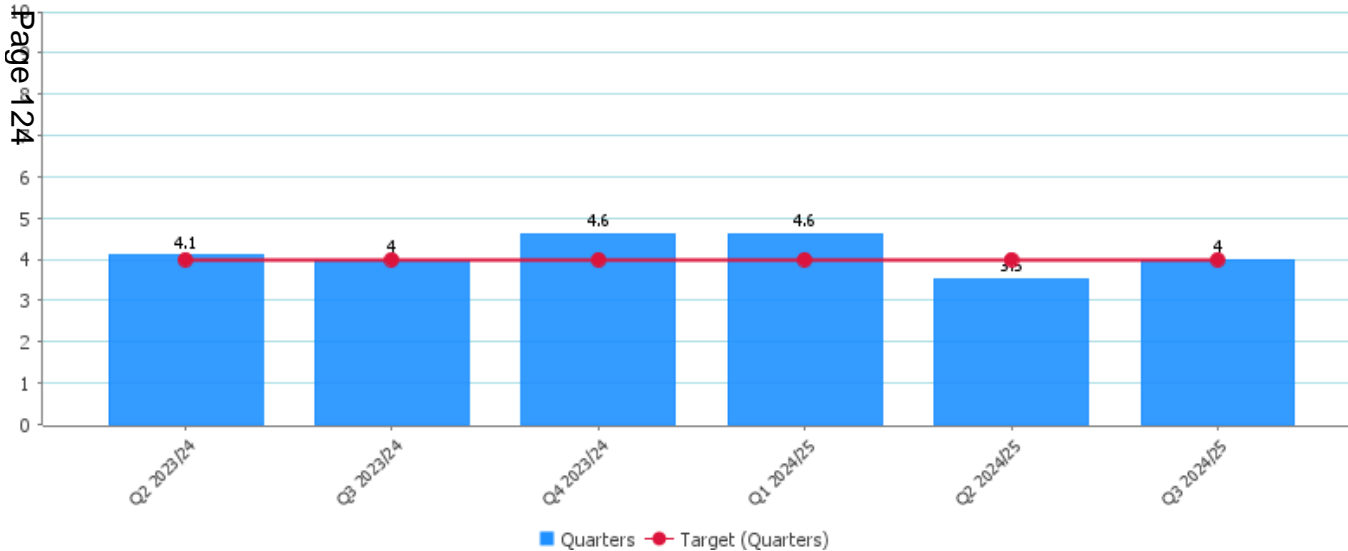
Average Number of Days of Staff Sickness

17-Jan-2025



• Slight increase from Q2 but similar to Q3 23/24. This quarter usually sees an increase due to respiratory illnesses.

Short-term Staff Sickness (Av. no days)

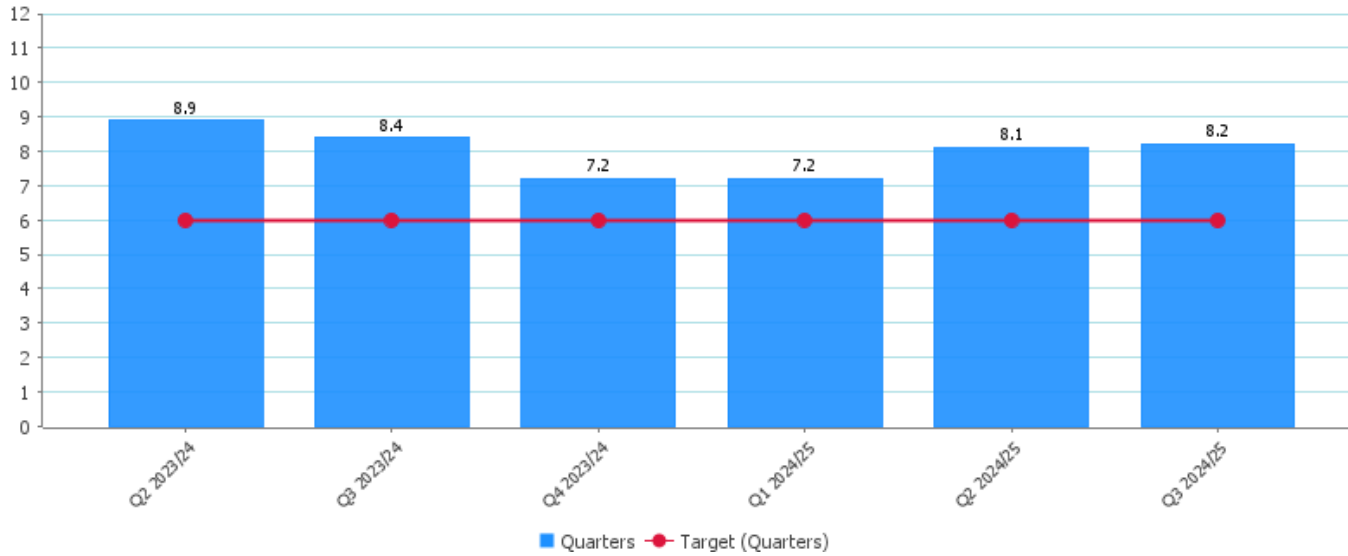


17-Jan-2025

• Slight increase from Q2 but within our target. This is due to seasonal illness factors.

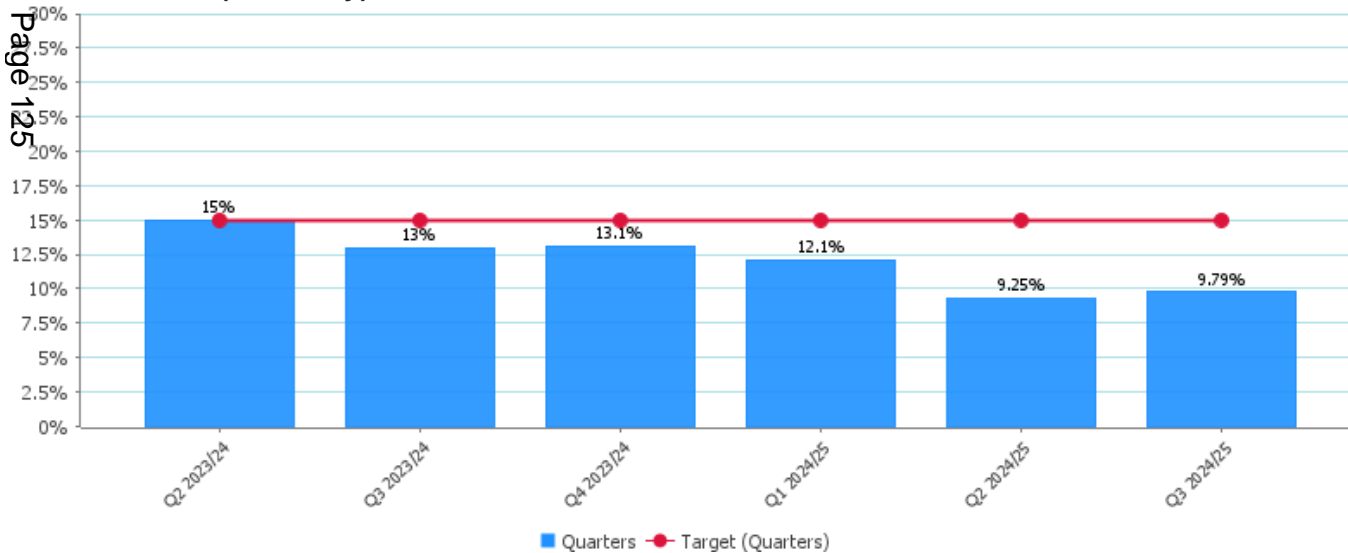
Long term sickness absence (Av. no.of days)

28-Jan-2025



• Similar to Q2 figure and above target. The People and OD Team continue to support managers to utilise good absence management procedures and we expect a reduction over the coming quarters.

Staff Turnover (voluntary)

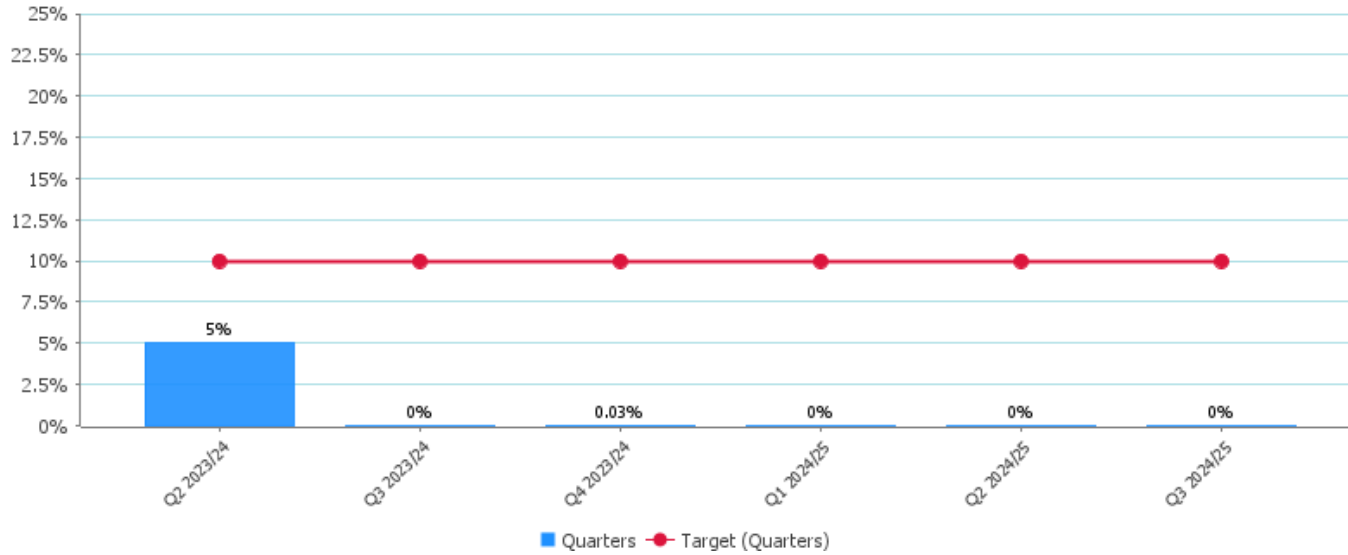


17-Jan-2025

• Slight increase from Q2 but well within target.

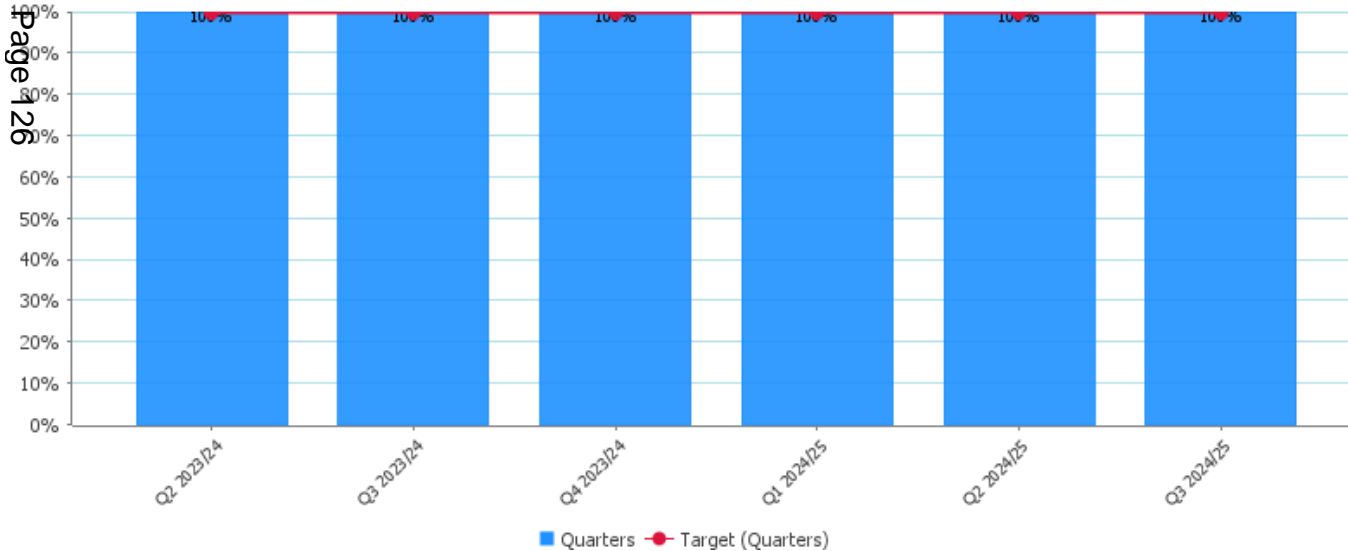
Council Owned Vacant Property Rate (%)

11-Feb-2025



- The property vacancy rate remains zero as East St is no longer being rented as it's undergoing refurbishment ahead of the Town Hall move.
- This KPI is for all council owned commercial/investment properties only.

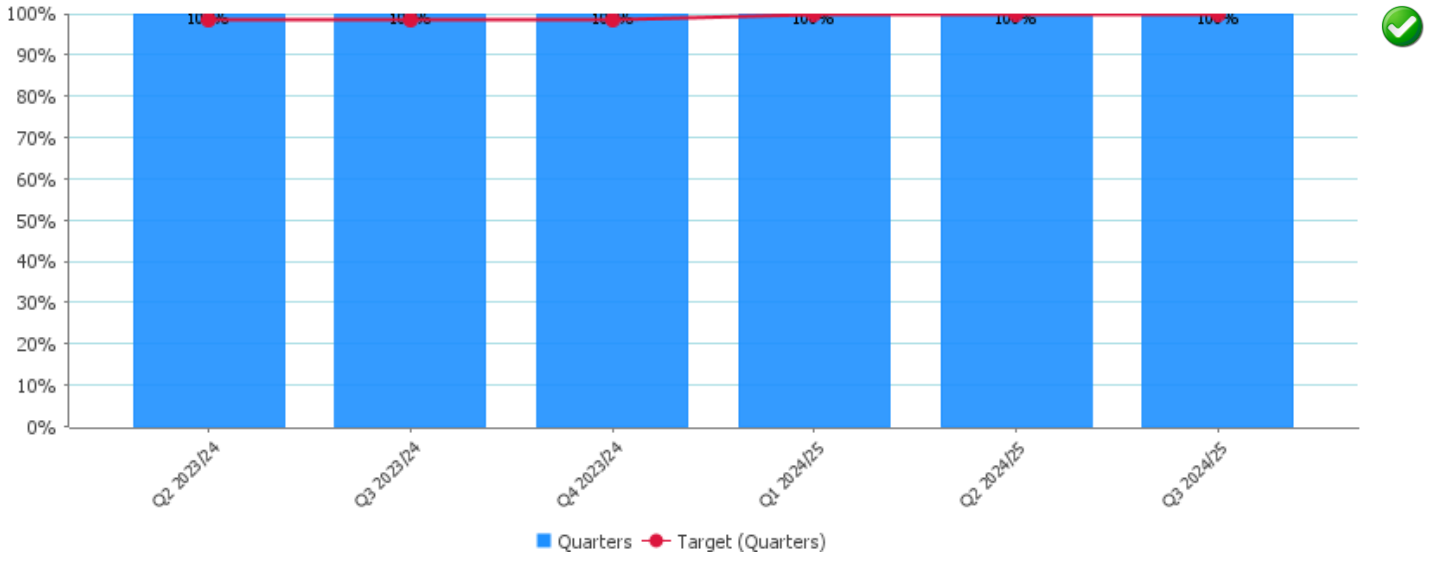
Completion Rates for ALL Property Maintenance Works



31-Jan-2025

Completion Rate for PRIORITY 1 Property Maintenance Works

31-Jan-2025



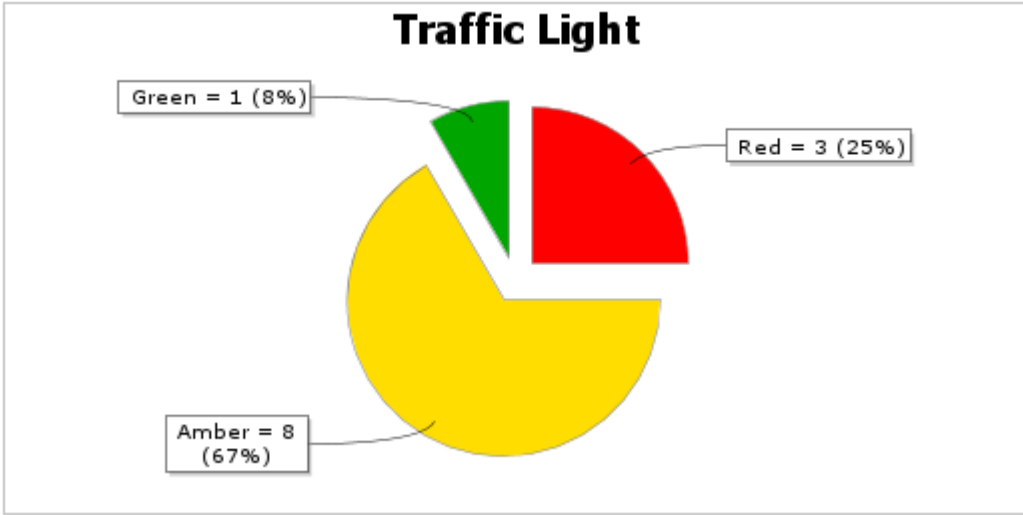
Corporate Risk Register

Our corporate risk register contains our most strategic risks, those that may have a significantly detrimental effect on our ability to achieve our key objectives and delivery of core services. We assess our risks as follows:




- Step 1:** Score the **inherent** risk using the matrix below = the expected **impact** of the risk **multiplied** by the **likelihood** of the risk occurring (with no mitigations or controls).
- Step 2:** Consider how we mitigate the risk and any controls in place.
- Step 3:** Score the **residual** risk = impact x likelihood (taking into account the controls and mitigations we have in place).
- Step 4:** Review final risk score against the **risk tolerance boundary** (yellow line). If High (red), seek to further mitigate the risk to reduce it to Medium (amber) or Low (green); or acknowledge why it cannot be lowered at this time.

Likelihood Page 128	4 Very likely	4	8	12	16
	3 Likely	3	6	9	12
	2 Possible	2	4	6	8
	1 Remote	1	2	3	4
	<i>Multiplier</i>	1	2	3	4
	Insignificant	Medium	High	Severe	
		Impact			



Red	High risks
Amber	Medium risks
Green	Low risks
Yellow	Risk tolerance boundary






Page	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
Page 129	Implications of local government reorganisation	<ul style="list-style-type: none"> • Turnover of staff. • Financial uncertainty. • Disruption to BAU. • Capacity to deliver. • Staff morale/motivation. • Strategic uncertainty. 	4	4	16	Working Group	4	4	16	↑	Tolerate	<ul style="list-style-type: none"> • Current and original assessments updated following feedback from Policy Chairs. • Risk has been renamed to reflect the government whitepaper, and escalated to the Corporate Risk Register. 	25 Feb 2025
						Stakeholder group							
						Collaboration with other councils							
						Chief Executive working groups across the county							

HC9	Risk of homelessness expenditure exceeding budget provision	<ul style="list-style-type: none"> • Unable to meet statutory duties. • Pressure to increase spending on accommodation in locations further outside of Borough. • Need to source funding from outside current budget and knock-on reductions to other budgets. • Potential damage to reputation 	4	4	16	Fraud team investigation	4	4	16		Treat	No change (see also KPI: No. of households living in nightly paid accommodation and Risk HC13).	29 Jan 2025
						Additional staff							
						Working Group							
						Strategy in place							
						Housing First funding in place							
						Additional Government Funding							
						Homelessness Action Plan							
IT6	Failure or interruption to IT services	<ul style="list-style-type: none"> • Damage caused by successful cyber-attack. • Loss of data. • Service delays. • Reputational damage. • Staff satisfaction. 	4	4	16	Business Continuity Plan	3	4	12		Treat	• Risk remains unchanged while planned decommissioning of old hardware is in progress this quarter.	27 Oct 2024
						Budget							
						IT Strategy							
						IT processes and procedures							
						Security Operations Centre							
Cyber Security Strategy													
PD1	Failure to deliver the climate change strategy	<ul style="list-style-type: none"> • Unable to deliver the Council's climate change objectives. • Fail to reduce the Council's carbon emissions. • Damage to reputation. 	4	4	16	Budget	3	3	9		Treat	New Climate Change Strategy 2025-29 now adopted containing new and update targets with progress to be monitored and reported annually to Environment Committee.	17 Jan 2025
						Additional staff							
						Working Group							
						Climate Change Action Plan							
						Member Working Group							

PD14	Failure to deliver a local plan / Local plan found unsound at inspection	<ul style="list-style-type: none"> • Unable to provide robust planning policy for development in the Borough. • Impact on other council activities that link to the local plan, e.g. housing. • Unable to demonstrate value for money on investment in developing the plan. • Government intervention. 	4	4	16	Budget	3	3	9		Treat	<ul style="list-style-type: none"> • Local Plan to be submitted in March 2025 for independent examination. • Note: the title of the risk has been amended to reflect its current status. 	14 Feb 2025
						Local Plan Risk Register							
						Report to Stakeholders							
						Member briefing							
						Project Critical Path Established							
						Project Plan							
						Full staffing in place							
						Partners fully engaged							
Political support to fund and deliver													
EO13	Failure to deliver the Town Hall move	<ul style="list-style-type: none"> • Wasted resources used to progress the project. • Reputational damage. • Negative staff moral. • Unable to achieve cost savings associated with the move. 	4	4	16	Internal Audit	2	4	8		Treat	<ul style="list-style-type: none"> • Project under review following the LGR announcement. (note updated following feedback from Policy Chairs) • Project remains on track. • Title of the risk was amended in Q3. 	04 Mar 2025
						Full Council Approval							
						Appoint external consultant							
						Corporate Procurement process							
						Steering Group appointed							
						Business case							
						Project Plan							
EO5	Failure in key statutory services	<ul style="list-style-type: none"> • Poor customer service. • Legal challenge. • Reputational damage. 	2	4	8	Risk Register	2	4	8		Treat	<ul style="list-style-type: none"> • Added to Corporate Risk Register for 2024/5 Q1. • Current risk assessment under review by SLT. 	30 Aug 2024
						Performance Monitoring							
						Risk Management Strategy							
						Budget Monitoring							
						Annual Budget Setting							
						Governance Framework							
						Performance Benchmarking							

F2	Failure to balance the budget annually & MTFS	<ul style="list-style-type: none"> • Fail to perform statutory duty and issue of Section 114 notice allowing potential Government intervention and potential cuts to services. • Reduced assurance over the Council's financial sustainability. • Reliance on commercial property income. • Significant damage to reputation. • Additional budget requirement for energy and EPC mitigation reduces budgets available for service delivery. 	4	4	16	Budget Monitoring	2	4	8		Treat	Annual budget will be balanced, MTFP requires future savings and efficiencies to balance.	29 Jan 2025
						Annual Budget Setting							
						Competitive Procurement of Utilities							
						Manage financial reserves							
						Savings targets							
						Discretionary service review							
						Asset review							
HC5	Non-compliance with safeguarding legislation, internal policies, and best practice.	<ul style="list-style-type: none"> • Negative impact on resident and staff health & safety. • Legal challenge. • Financial penalty. • Reputational damage 	4	4	16	Staff Update	2	4	8		Treat	The Council has recently commenced in the rollout of safeguarding briefings pertaining to the Council Safeguarding Policy and best practice. We have also secured an external auditor to examine safeguarding practices against our policy. We refresh our safeguarding e-learning annually. We have also completed a S11 audit against the Children Act 2004, which is focused on policy and best practice for child safeguarding and for which we received notification that our practices were satisfactory. This risk however will not be down-graded until the Council's up-and-coming adult safeguarding audit.	29 Jan 2025
						Intranet Site (The Hub)							
						Staff training							
						Safeguarding Policy							
						Knowledge sharing							
						Register of vulnerable residents							
						Internal safeguarding group							

PCR16	Failure to comply with GDPR/Data protection	<ul style="list-style-type: none"> • Harm to, and breach of rights of, owners of the personal (inc. sensitive) data that has been breached. • Reputational damage • A range of sanctions from Information Commissioner's Office (ICO), including prosecution and unlimited fines. 	4	4	16	Internal Audit	2	4	8		Treat	A new data protection service has been appointed and has started. On site audit taking place on the 19/20th November.	29 Jan 2025
						eLearning							
						Data protection policies and processes							
						Staff training							
						Working Group							
						Information Governance Working Group							
						Breaches log							
						Data Protection Officer							
						Data/information management prep for building motivation programme							
						Email warnings and checks							
PCR13	Failure to successfully prevent a significant health and safety incident	<ul style="list-style-type: none"> • Harm to staff, visitors, members of the public and / or contractors. • HSE fine. • Reputational damage. • Unable to maintain service delivery. 	2	4	8	Staff Update	1	4	4		Treat	The score remains unchanged since the last assessment. Two health and safety e-learning modules have been released for managers and officers to complete as part of their regular review, and work on Stress Management has been progressed with the release of a pilot survey to officers.	11 Feb 2025
						Assurance Checks Undertaken							
						Health & Safety Officer							
						Health & Safety Group							
						Health & Safety Risk Register							
						Health & Safety Policies							
						Intranet Site (The Hub)							
						Budget							
						SLT Reporting							
						eLearning							
						Performance Monitoring							
						Guidance Documents							

PCR18	Failure to respond effectively to a major incident or civil emergency	<ul style="list-style-type: none"> • Loss of business continuity. • Health and wellbeing of residents. • Reputational damage. • Unable to support strategic and operational / service deliver partners. 	4	4	16	Applied Resilience	1	3	3		Tolerate	The assessment remains unchanged. The work programme (plan reviews, training, exercises etc.) are currently being planned and arranged for 2025/26.	11 Feb 2025
						Emergency Plans							
						Business Continuity Plan							
						Council responders							
						Internal Audit							

Committee Risk Registers

The following committee risk registers contain risks identified for the budget Policy Committees in accordance with our Risk Management Strategy. An overview of the individual committee risks is summarised on the next two pages. These risk registers are reviewed by the various policy committee Chairs on a regular basis.

In this register, the inherent risk score (before any mitigations or controls) and the residual risk score (with mitigations and controls in place) have been derived from using the risk matrix below. The matrix is included in the Risk Management Strategy. We assess our risks as follows:

Step 1: Score the **inherent** risk using the matrix below = the expected **impact** of the risk **multiplied** by the **likelihood** of the risk occurring (with no mitigations or controls).

Step 2: Consider how we mitigate the risk and any controls in place.

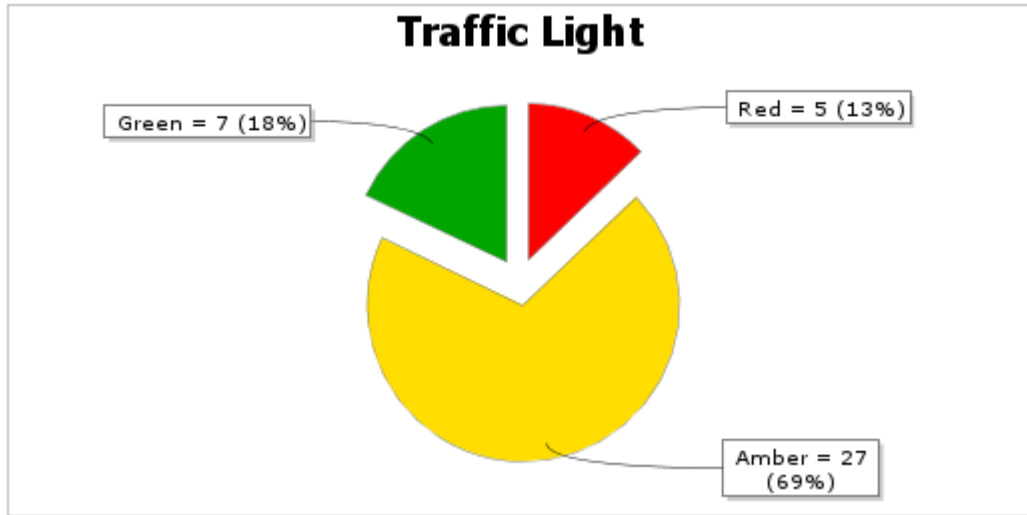
Step 3: Score the **residual** risk = impact x likelihood (taking into account the controls and mitigations we have in place).

Step 4: Review final risk score against the **risk tolerance boundary** (yellow line). If High (red), seek to further mitigate the risk to reduce it to Medium (amber) or Low (green); or acknowledge why it cannot be lowered at this time.

Page 135

Likelihood Multiplier	4 Very likely	4	8	12	16
	3 Likely	3	6	9	12
	2 Possible	2	4	6	8
	1 Remote	1	2	3	4
		1 Insignificant	2 Medium	3 High	4 Severe
		Impact			


Red	High risks
Amber	Medium risks
Green	Low risks
Yellow	Risk tolerance boundary



Community & Wellbeing Committee

Page	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
Page 136	Inadequate budget for homelessness over medium-long term	<ul style="list-style-type: none"> • Unbudgeted expenditure. • Pressure on statutory service. • Need to source funding from outside current budget envelope. 	4	4	16	Anti-Fraud & Corruption Strategy and Response Plan	4	3	12	-	Treat	The upward trend of homelessness approaches and placements continues, which has been exacerbated during January by SWEF (Severe Weather Emergency Provision). Reporting regularly to relevant committees and liaising closely with finance.	23 Jan 2025
						RBBC Counter-Fraud Service							
						Service/Function Review							
						Medium Term Financial Strategy							
						Responded to Government Consultation							
						Strategic Housing Manager							
						New Units for Accommodation Secured							
						Government Funding - Additional							

HC14	Lack of affordable housing in the Borough	<ul style="list-style-type: none"> • Changes to Borough demographics. • Homelessness. • Provision for key workers. 	4	3	12	Partnership Working	3	4	12		Treat	No change	23 Jan 2025
						Strategic Housing Manager							
						Strategic Housing Group							
OS26	Playhouse lighting failure	<ul style="list-style-type: none"> • Playhouse closure. • Reputational damage. 	4	4	16	CIL Bid Submitted	3	4	12		Treat	<ul style="list-style-type: none"> • Playhouse had an electrical survey completed in January 2025 which resulted in a temporary fix being put in place. • Funding has been approved and the procurement process has started. The new light replacement is expected to commence in August 2025. 	14 Feb 2025
						Capital Bid Submitted							
HC6	Non-delivery of annual plan objectives, Housing and Community Service, due to our response to refugee crises	<ul style="list-style-type: none"> • Unable to deliver strategic objectives in the annual plan / Four Year Plan. • Reputational damage. 	4	4	16	Performance Management	2	3	6		Tolerate	Refugee support is well established and not anticipating significant new arrivals.	23 Dec 2024
						Recruited Additional Team Members							
						Partnership Working							
OS20	Not maximising commercialisation opportunities at council venues and parks / open spaces	<ul style="list-style-type: none"> • Less income to the council, leading to service pressures. • Financial sustainability of assets. 	4	3	12	Project Management Governance	2	3	6		Treat	Risk reduced as numbers of visitors to venues is growing with regular events. Bookings and cafe; usage numbers are showing positive growth.	14 Feb 2025
						Bourne Hall Cafe							
						Project Management Resource							
						Revenue Assessment Required for Change of Land Use							



HC15	Health and wellbeing worsen in the Borough due to increases in the costs of living	<ul style="list-style-type: none"> • Less income to the council, leading to service pressures. • Financial sustainability of assets. 	3	3	9	NHS Provide Services	2	2	4		Treat	Tranche 6 of the Household Support Fund for Q3 and Q4 has been rolled via our community sector partners to support those most impacted by the cost of living. We also continue to develop the Health & Wellbeing Strategy 2025-2028, ensuring that a priority is afforded to those residents most impacted by the wider determinant of health and by circumstance.	22 Jan 2025
						Community & Wellbeing Centre							
						Health Liaison Panel							
						Voluntary Sector Provide Services							
						Epsom & Ewell Employment Hub							
						Household Support Fund							
						Funding Provided to Voluntary Organisations							
						Epsom & Ewell Food Pantry							
						Bourne Hall Cottage - PCN Using							




Crime & Disorder Committee



ID	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
HC30	Ineffective Public Space Protection Order (PSPO) governance	<ul style="list-style-type: none"> • Ineffective PSPOs. • Lack of evidence for PSPOs. • Ineffective relationships with key partners, e.g. the Police. • Partial records. • Delayed enforcement. 	4	3	12	<ul style="list-style-type: none"> Partnership Working Information Published on Website Policy in place Knowledge sharing Service Manager Review 	2	3	6		Tolerate	No change since last quarter: The Council is in the processing of renewing and enhancing the central PSPO and is currently in the consultation phase. The direction of this area of policy will be guided by the outcome of the consultation expected Q4 2024-2025.	14 Feb 2025
HC31	Upcoming changes to the Criminal Justice Bill	<ul style="list-style-type: none"> • Misunderstand the changes. • Legal challenge. • Unable to effectively meet our obligations. • Unbudgeted expenses. 	3	4	12	<ul style="list-style-type: none"> Watching Brief Maintained Access to legal advice 	2	3	6		Treat	No change in this quarter.	14 Feb 2025
HC33	Ineffective governance regarding PREVENT and PROTECT	<ul style="list-style-type: none"> • Unable to meet objectives of PREVENT and PROTECT. • Legal challenge. • Health and safety. • Unbudgeted expenses. 	4	4	16	<ul style="list-style-type: none"> Budget Monitoring Community Safety Action Plan 	2	3	6		Tolerate	No change this quarter.	14 Feb 2025

HC29	Failing to maintain adequate governance over Crime & Disorder Committee's budget	<ul style="list-style-type: none"> • Delays to the committee fulfilling its obligations and decision making. • Interruption to the recruitment (when necessary) of the community safety / safeguarding officer. 	1	3	3	Budget Monitoring	1	2	2	-	Tolerate	No change this quarter.	14 Feb 2025
						Constitution							
						Ringfenced budget							
HC32	Ineffective partnership working on anti-social behaviour case reviews	<ul style="list-style-type: none"> • Ineffective outcomes for victims. • Undeliverable actions assigned to the council. 	3	3	9	Partnership Working	1	2	2	-	Tolerate	No change this quarter: The Council administers the ASB case review process on behalf of the community safety partnership. The adopted approach is in line with local and national guidance and has received authentication on appeal via the police and crime commissioner. It is a resource intense exercise but there is no current evidence that it is falling short.	14 Feb 2025

Environment Committee

ID	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
HC24	Lack of officer capacity related to environmental health work	<ul style="list-style-type: none"> • Statutory duties not completed. • Increased costs incurred when appointing an external company to conduct statutory checks. • Poor performance. • Decrease in staff morale. • Reputational damage. 	3	4	12	Internal Audit Additional staff	3	3	9		Treat	Environmental Health posts are in the top three most challenging posts to appoint to and there remains a capacity issue within the team temporarily filled with expensive contacted resource at a reduced number of hours to fit in with available budget.	06 Nov 2024
OS21	Climate change - Fleet emissions	<ul style="list-style-type: none"> • Increased costs related to adapting / purchasing new vehicles. • Reduced efficiency. • Costs related to staff retraining. • Costs related to depot adaptations. 	4	3	12	Climate Change Group SEP Green Fleet Working Group Grant Funding Secured - Electric MealsOnWheels Vehicles	3	3	9		Tolerate	No specific progress to report: EEBC's vehicle fleet does not start renewing until mid-2027. Transport & Waste Manager to compile report outlining options for the various parts of the Council's vehicle fleet. However, the Council has not as yet identified funding for the higher acquisition costs of green vehicles other than taking advantage of SCC grant funding in 2024 to purchase 3 x electric vehicles for Meals at Home deliveries (hence risk reduced this quarter). Transport & Waste Services Manager to review monthly with Environment & Sustainability Project Officer.	14 Feb 2025

OS5	Outcome of national waste strategy	<ul style="list-style-type: none"> • Budget implications. • Service delivery implications. • Operational management implications. • Stakeholder management. 	4	3	12	<ul style="list-style-type: none"> Monitoring for Government Announcements Simpler Recycling 	2	3	6		Tolerate	<ul style="list-style-type: none"> • Defra has advised indicative EPR funds for 2025/26. • Transport & Waste Services Manager has appealed a deduction for the management of materials disposal. Defra advises appeal responses will be provided after 7/1/25: no response yet received. • Defra has announced new and un-consulted requirement to separate paper & card for recycling. SLT to review 15/1/25. 	28 Jan 2025
PD31	Unable to meet costs associated with the Tree Management Plan (e.g. unplanned maintenance, Ash dieback)	<ul style="list-style-type: none"> • Budgetary pressures. • Public health and safety. • Increased tree planting leads to increased ongoing maintenance costs. • Reputational damage. 	4	3	12	<ul style="list-style-type: none"> Budget Monitoring Financial Due Diligence Tree Management Plan Tree Maintenance Contract Policy in place New Policy and fees and charges approved for third party tree planting requests to cover council's costs Epsom & Walton Downs Conservators contribute to the maintenance of trees on the Downs. 	2	3	6		Treat	Trees requiring Ash Dieback work, and unplanned maintenance works on other trees, have increased over the past year and could result in a backlog of tree works over the next financial year. However, an internal audit review of tree management in 2024 concluded with management response that Ash die back could be managed through existing budgets as now, but will be closely monitored.	25 Feb 2025
OS22	Increasing costs related to maintaining allotments	<ul style="list-style-type: none"> • Increased budgetary pressures. • Fall in 'quality' of allotments. • Impact on users' health and wellbeing. • Reputational damage. 	3	3	9	<ul style="list-style-type: none"> Annual Budget Setting Medium Term Financial Strategy Working Group 	2	2	4		Treat	<ul style="list-style-type: none"> • The Allotment Working Group has been set up. • Review fees and charges in relation to the cost of managing the sites. • Allotment Forum meeting which will be attended by Chair of Allotment WG, has taken place. 	16 Sep 2024


HC10	Significant decrease in parking revenue from car parks	• Increased budgetary pressures.	3	4	12	Annual Budget Setting	1	2	2		Treat	This risk was initially created during the Covid pandemic when there was an ongoing concern that car park visitor numbers would remain low. Visitor numbers and revenue have returned, however the risk still remains as income from the Car Park plays a key role in supporting other services.	05 Nov 2024
						Medium Term Financial Strategy							
						Revenue Assessment Required for Change of Land Use							
						Budget Profile Exercise							
HC26	Car park equipment reaching end of life without a replacement in place	• Hook Road Car Park becomes inoperative to visitors, staff, local business users. • Loss of income. • Reputational damage.	4	4	16	SLT Reporting	1	1	1		Treat	<i>Risk to be retired at the end of Q3. (Agreed with E Committee Chair)</i>	25 Feb 2025
						Options appraisal							
						Supplier communications							

Licensing & Planning Policy Committee

ID	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
PD19	Macro-economic factors (inc. lack of development) lead to reduced planning income e.g. related to planning applications and CIL fees	<ul style="list-style-type: none"> Reduced income to the Council. Reduction in the LPPC's budget. Unable to achieve national housing targets. Unable to deliver CIL projects. 	3	4	12	<ul style="list-style-type: none"> Budget Monitoring Ability to Alter Discretionary Service Fees 	3	3	9	▬	Tolerate	Planning fees to increase on 1 April will alleviate some immediate issues. Incoming applications remains stagnant.	16 Jan 2025
HC27	Out of date licensing policies	<ul style="list-style-type: none"> Gaps in governance framework. Reputational damage. 	4	4	16	<ul style="list-style-type: none"> Additional staff Access to legal advice Committee training 	4	2	8	↑	Treat	Owing to high volumes of applications and the need to train up new members of the team it is not currently possible to focus on policy or active compliance work. Plans are being worked on which are aimed at addressing this.	06 Nov 2024
HC23	Non-recovery of licencing fees	<ul style="list-style-type: none"> Reduced Council income. Misalignment of resource costs and income generation. Reputational damage. 	4	3	12	Budget Monitoring	2	3	6	↑	Tolerate	Change of government would indicate previous risk of the taxi licensing area being transferred away from the council is lowered. At the present time the income is in line with forecasts.	06 Nov 2024
PD2	Planning breaches are not enforced	<ul style="list-style-type: none"> Negative impact on neighbouring residents. Legal challenge. Reputational damage. 	4	4	16	<ul style="list-style-type: none"> Enforcement Trainer Actioning Cases Development Management Project 	2	3	6	▬	Tolerate	Outstanding enforcement numbers have gradually reduced, reducing reputational risks.	16 Jan 2025

PD20	Not preparing for legislative changes related to planning	<ul style="list-style-type: none"> • Inappropriate governance. • Reduced service performance. • Legal challenge. • Reputational damage. 	4	4	16	Watching Brief Maintained Monthly briefing to Chair and Vice-Chair	2	3	6		Tolerate	Biodiversity net gain implications remain unresolved.	16 Jan 2025
HC16	Not preparing for legislative changes related to licencing	<ul style="list-style-type: none"> • Inappropriate governance. • Reduced service performance. • Legal challenge. • Reputational damage. 	4	4	16	Watching Brief Maintained	1	4	4		Tolerate	Risk is around the ability of the team to ensure both an appropriate level of service in respect of the issuing and granting of licences whilst maintaining a suitable level of compliance checking and enforcement as well as policy shaping and adoption. Owing to changes in personnel the question around the future resourcing of the team is being examined in a much wider context than the simple creation of a new post.	06 Nov 2024
PD29	Planning policy officers leaving the council	<ul style="list-style-type: none"> • Knowledge and experience leaves the council. • Increased timings to produce the Local Plan. 	2	4	8	Managers working closely with staff	1	4	4		Tolerate	<ul style="list-style-type: none"> • Remains a high impact risk despite local plan progress. • White paper proposals to form unitary local authorities may lead to staff retention issues. 	28 Jan 2025
PD3	Decline in development management performance i.e. threat of designation	<ul style="list-style-type: none"> • * Poor customer service. • Legal / governmental challenge. • Reputational damage. • Staff dissatisfaction. 	3	4	12	Development Management Project	1	4	4		Tolerate	No change. Performance remains acceptable.	16 Jan 2025

HC25	Reduced demand for licensing services due to increased fees/charges	<ul style="list-style-type: none"> • Reduced income to the Council. • Reduced LPPC budget. 	3	3	9	Reports submitted to committee for approval Budget Monitoring Service Manager Review	1	3	3	↓	Tolerate	On the vehicle licensing side despite inflationary pressures it has been possible to grow income by 55% in three years through volume increases and at the same time supporting business by holding fees at the same level. Whilst the volume increases are now levelling off it is still anticipated that the fee income will adequately cover the costs of the service. For other areas of licensing the fees are largely dictated nationally however broadly it is projected to meet the costs of the service.	06 Nov 2024
PD27	The spatial strategy site selection cannot be agreed at Full Council	<ul style="list-style-type: none"> • Failure to meet the July 2025 deadline. • Failure to meet the transport assessment date with SCC. • Creation of Regulation 19 version of the plan is at risk. • Presentation of Regulation 19 to members at full council could result in the plan being voted down. 	3	4	12	Full Council Approval Councillor Engagement Transport modelling	1	1	1	↓	Tolerate	<ul style="list-style-type: none"> • Risk to be retired as full council have agreed the spatial strategy for the Local Plan 	29 Jan 2025



PD28	SCC fails to deliver the transport assessment and the infrastructure assessment in time to meet our critical path milestones to deliver our Local Plan	<ul style="list-style-type: none"> • Fail to meet the July 2025 deadline. • Additional costs are incurred despite not being able to meet the deadline. • Local Plan work may become paused again and the borough remains with an old out of date plan. 	2	4	8	Engagement w/ Surrey County Council	1	1	1		Tolerate	Risk to be retired - transport modelling delivered by SCC to support Local Plan Regulation 19 Consultation	29 Jan 2025
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Strategy & Resources Committee

ID	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
PR14	Not delivering a value for money result regarding the future of the current Town Hall site	<ul style="list-style-type: none"> Loss of significant (future) income / capital receipts. Unable to deliver corporate and Borough objectives. Reputational damage. 	3	4	12	Member Working Group Appoint external consultant	3	4	12		Treat	The Council is being advised by specialist external consultants to ensure all options are considered and value for money demonstrated. The uncertainty brought on by Local Government reorganisation has added uncertainty regarding the deliverability of any future opportunities for the town hall site.	14 Feb 2025
PR3	Property Portfolio	<ul style="list-style-type: none"> Significant loss of income. Costs associated with replacing a tenant. Budgetary pressures. 	3	4	12	Tenant Sustainability Checks Commercial Property Acquisition Criteria Reports submitted to committee for approval Engagement w/ Finance Service Reported to EEPIC Board	3	4	12		Treat	Continually monitored.	09 Jan 2025
PD21	Declining economic vitality in the Borough	<ul style="list-style-type: none"> Lack of economic drive and contributions in the Borough. Reduced opportunities for residents and businesses. 	4	3	12	BID Support Annual Plan Objective Local Enterprise Partnership Working w/ Neighbouring Authorities	3	3	9		Tolerate	No change from previous.	17 Jan 2025

PR15	Climate change - Building emissions	<ul style="list-style-type: none"> • Unable to achieve climate change strategy goal to reduce building emissions. • Council generates more CO2 than necessary. 	4	3	12	Climate Change Group	3	3	9		Treat	Solid progress made to reduce carbon emissions as comprehensively described under Theme 2 (Council buildings and energy use) items 18 - 28 of the Climate Change Action Plan 2025-29 approved by Environment Committee at its 15 Oct 2024 meeting.	09 Jan 2025
						Climate Change Action Plan							
F10	Failure to deliver services within agreed budget envelope (e.g. increase in operational costs, staffing, energy etc.)	<ul style="list-style-type: none"> • Negative impact on council budget. • Service changes. 	3	3	9	Budget Monitoring	3	2	6		Treat	No change	14 Jan 2025
						Annual Budget Setting							
						Competitive Procurement of Utilities							
PCR21	Retendering of leisure centre contract	<ul style="list-style-type: none"> • Reputational damage. • Health and wellbeing of residents compromised. • Loss of business continuity. • Financial impact due to reduction of management fee. 	3	4	12	SLT sign-off - Feasibility	2	3	6		Tolerate	No change since the last assessment. The tender opportunity closes on the 12th February 2025. The risk will be re-assessed following the subsequent review of the bid submissions.	11 Feb 2025
						Contract Management							
						Procurement Strategy							
						Contract Standing Orders							
						Project Contingency Time							
						Corporate Procurement process							






DST10	Failing to respond to complaints effectively	<ul style="list-style-type: none"> • Poor customer experience. • Reputational damage. • Increased costs related to officer time required to rectify complaints after initial response. • Costs related to any financial settlements / restitutions. • Public interest for non-compliance report issued by the Local Government and Social Care Ombudsman (LGSCO). 	3	4	12	Staff training	2	2	4	■	Tolerate	This risk remains as it is. The complaints policy has been updated along with updated processes and procedures. Complaint handling training is taking place for all staff on 5th and 7th November. We are working in collaboration with service areas to try and encourage a reduction in response times and hope that this should all help to mitigate this risk.	05 Nov 2024
						Information Published on Website							
Page 8 Page 150	Ineffective communication to key stakeholders	<ul style="list-style-type: none"> • Audiences and stakeholders are unaware of information and updates that are important and/or relevant to them. • Negative impact on Council reputation if we are seen not to be communicating and engaging effectively with audiences. 	3	3	9	Service/Function Review	2	2	4	■	Treat	<p>The update is the same as the last quarter with the exception of:</p> <ul style="list-style-type: none"> • the interim Communications & Engagement Manager is no longer interim, • the Communications Officer has now been recruited to a permanent role. • The communications team are reviewing the Communications Strategy and plans for 2025 this month. 	23 Jan 2025
						Communications Strategy							
						Regular review of communication channels							
						Communications Campaigns							
						Internal Client - Account Manager Process							
						Comms standards							

HR11	Lack of leadership and skills to deliver strategies objectives	<ul style="list-style-type: none"> • Do not meet financial targets. • Unable to implement corporate strategies and plans. • Unable to implement revenue generating initiatives / opportunities. 	2	3	6	Recruitment Strategy	2	2	4		Treat	New Director of Corporate Services (S151) started in post 20th January 2025. All senior roles are filled.	27 Jan 2025
						Retaining Talent Policy							
						Succession Planning							
						Performance Management							
						My Performance Conversations							
						Risk Management Strategy							
						Project Management Governance							
PR16	Reduction in car parking capacity	<ul style="list-style-type: none"> • Reduced income • Damage to Epsom's vitality and viability eg • Harder for visitors to find space • Overspill of parking into roads. 	3	2	6	Engagement w/ Surrey County Council	2	2	4		Tolerate	<ul style="list-style-type: none"> • PROPOSED NEW RISK FOR S&R COMMITTEE OVERSIGHT • First assessment made at E Committee Chairs meeting and accounts for controls and mitigations as follows: <ul style="list-style-type: none"> • monitoring of parking levels and capacity at car parks, • work with SCC to enforce on-street parking, • take forward investment proposals for expanding capacity at car parks (decking) 	26 Feb 2025
						Car Park moinitoring							

Annual Governance Statement Actions

Every year we publish our Annual Governance Statement, which outlines our assurance on our systems of internal control. As part of this review, we identify key actions which we feel will improve our Corporate Governance.

Issues Identified	Due Date	Commentary	RAG Status	Latest Update
Enhance the resilience of the People & Organisational Development Service by recruiting vacant posts and continuing with multi-role training for new team members	30-Sep-2024	This item has been completed. On 18 September 2024, all recruitment complete and full People and OD Team.	●	24-Jan-2025
Review and enhance recruitment and retention policies and procedures for key roles across the council	31-Mar-2025	Due to reduced capacity in the HR team this project has been paused. To be picked up once new HR Administrator is in post (anticipated March 25).	●	27-Jan-2025
Review and update IT policies as necessary	31-Dec-2024	The IT Password policy has been reviewed by SLT and approved. The IT Security and AUP is still in draft form and will be completed before the end of March 2025	●	11-Feb-2025
PSN Certificate	31-Mar-2025	In regard to the two remaining legacy line of business systems, one is now upgraded and live and its servers beginning the decommissioning phases. The other is in the advanced stages of migration with a plan that the remaining legacy components will begin decommissioning in the first quarter of the new year (2025/26).	●	11-Feb-2025
Document management Software - to procure new software to enhance the revenues and benefits service	31-Dec-2024	This item has been completed. The new system has now gone live in Revenues and Benefits. Just a couple of additional modules waiting to go live.	●	11-Feb-2025
Biodiversity Net Gain - implement the Biodiversity Net Gain policy requirements	31-Jul-2024	Concern at national level regarding the number of applications which are able to opt out and avoid BNG has meant most authorities have received very few schemes meeting the requirement. It is likely that this action will be carried forward to next year.	●	11-Feb-2025
Public Protection Inspections -review resourcing in statutory Environmental Health services, including discretionary activities	31-Mar-2025	This item has been completed.	●	11-Feb-2025

Issues Identified	Due Date	Commentary	JTAG Status	Latest Update
Audit and Scrutiny Committee-review the Audit and Scrutiny Committee's Terms of Reference	28-Feb-2026	<p>At the Strategy & Resources Committee on the 23 July 2024, the following actions and timescale were agreed:</p> <p>11.1 Explore how audit and scrutiny is carried out in other councils with a committee system.MO in Sept 2025.</p> <p>11.2 Arrange a training for members and officers on committee system governance to understand the role of committees in proper scrutiny of policy. Chief Executive to ask CFGS to run this in Oct 2025.</p> <p>11.3 Explore compliance with national legislation to ensure statutory requirements are met. MO in Sept 2025.</p> <p>11.4 Proposal put forward to members for decision. MO/Constitution Working Group in Feb 2026 (Full Council)</p>		01-Nov-2024
Corporate Plan - produce a long-term corporate plan	31-Mar-2025	Policy Chairs met in September 2024 in setting strategic objectives for the next 5 years. Currently awaiting feedback from RA Chair and also considering the implications of the Local Government Reorganisation.		11-Feb-2025
Develop a corporate record of the Council's resident engagement activities	31-Mar-2025	<p>This action has been completed.</p> <p>A report was submitted to the Community and Wellbeing Community in October 2024. Areas where there is a need for further activity would be around:</p> <ul style="list-style-type: none"> • engagement with young people • engagement with advisory groups • ensuring that where E&E are attending events our presence is clearer e.g. with a stand • identify a mechanism to get more feedback from councillors. <p>This is going to be added into BAU activities going forward.</p>		11-Feb-2025
Data Protection Officer - source additional Data Protection Officer capacity	31-Oct-2024	<p>This item has been completed.</p> <p>The new DPO service is underway with the first meetings having taken place and full on boarding completed.</p>		24-Jan-2025
Councillor Training - review and enhance the councillor training and development programme	31-Oct-2025	<p>At the Strategy and Resources Committee meeting on 23 July 2024, the following action and timescale were agreed:</p> <p>11.2 Arrange a training for members and officers on committee system governance to understand the role of committees in proper scrutiny of policy. Chief Executive to ask CFGS to run this in Oct 2025.</p>		01-Nov-2024

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COMMITTEE WORK PROGRAMME – MARCH 2025

Head of Service:	Andrew Bircher, Interim Director of Corporate Services
Report Author:	Will Mace, Business Assurance Manager
Wards affected:	(All Wards)
Appendices (attached):	None

Summary

This report presents the Committee with its annual Work Programme.

Recommendation (s)

The Committee is asked to:

- (1) Note and agree the ongoing Work Programme as presented in Section 2.**

1 Reason for Recommendation

- 1.1 Paragraph 4.6 of the Constitution states that the Committee “can scrutinise decisions made by the Full Council or policy committees”¹. Paragraphs 1.3(i) and 1.3(iii) of Annex 4.6 of the Council Operating Framework also states that the Committee “will be responsible for arranging the overview and scrutiny functions on behalf of the council” as well as “approving an annual overview and scrutiny Work Programme”.² Therefore the Committee is able to maintain oversight of its Work Programme and make any additions or adjustments it wishes.

2 Background

- 2.1 The committee Work Programme is presented below. The programme includes reports that relate to the committee’s areas of responsibility, as stipulated in its terms of reference.³

¹See *Constitution of Epsom and Ewell Borough Council*, p.3. Online available: <https://democracy.epsom-ewell.gov.uk/documents/s27178/Constitution%20of%20Epsom%20and%20Ewell%20Borough%20Council.pdf> [Last accessed 18/05/2023]

² See *Council Operating Framework, Annex 4.6: Overview, Audit and Scrutiny*, p.1. Online available: <https://www.epsom-ewell.gov.uk/sites/default/files/documents/council/about-council/governance/Annex%204-6%20-%20Overview%20Audit%20and%20Scrutiny.pdf> [Last accessed 18/05/2023].

³ See *Audit and Scrutiny Committee-Terms of Reference*, Online available:

2.2 Work Programme:

Meeting		Agenda
Past	6 February 2025	<ul style="list-style-type: none"> • Community Safety Partnership Update • Revenue Budget Monitoring – Quarter 3 (2024-2025) • Capital Budget Monitoring – Quarter 3 (2024-2025) • External Audit Update • Equality and Diversity Annual Report • Internal Audit: Progress Report • Performance and Risk Report – February 2025 • LGO and ICO Updates – February 2025⁴ • Work Programme
Present	27 March 2025	<ul style="list-style-type: none"> • Internal Audit: Annual Plan 2025-2026 & Internal Audit Charter • Internal Audit: Progress Report • Performance and Risk Report – March 2025 • Committee Annual Report 2024-2025 (to be presented to Full Council) • Regulation of Investigatory Powers Act (2000) Annual Report • Annual Complaints Report • FSAG Annual Treasury Management Report⁵ • External Audit Update⁶ • Work Programme
Future	17 July 2025	<ul style="list-style-type: none"> • External Audit Update – 2024-2025 Audit Plan • Internal Audit: Annual Report & Opinion 2024-2025 • Internal Audit: Progress Report • Annual Governance Statement 2024-2025 • Performance and Risk Report – 2024-2025 End of Year progress report • Use of Delegated Powers Annual Report • Work Programme • Placeholder: LGO & ICO Updates– July 2025
Future	30 September 2025	<ul style="list-style-type: none"> • External Audit Update – 2024/25 Audit Plan • Revenue Budget Monitoring – Quarter 1 (2025-2026) • Capital Budget Monitoring – Quarter 1 (2025-2026) • Internal Audit: Progress Report • Performance & Risk Report - September 2025 • Local Government and Social Care Ombudsman Annual Letter 2024-2025 • Work Programme • Placeholder: LGO & ICO Updates– September 2025

<https://democracy.epsom-ewell.gov.uk/mgCommitteeDetails.aspx?ID=157>

[Last accessed 18/05/2023].

⁴ No new items to populate the report since the last committee meeting.

⁵ This item was added to enable Audit & Scrutiny Committee to receive FSAG's annual treasury management report and meet this obligation within its terms of reference.

⁶ The External Audit update from February included the final accounts. There is no further update to these and so this item has been removed.

Future	13 November 2025	<ul style="list-style-type: none"> • Code of Corporate Governance Annual Review • Counter-Fraud and Whistleblowing Annual Report (inc. gifts and hospitality) • Revenue Budget Monitoring -Quarter 2 (2025-2026) • Capital Budget Monitoring -Quarter 2 (2025-2026) • Work Programme • Placeholder: LCO & ICO Updates – November 2025
Future	5 February 2026	<ul style="list-style-type: none"> • Community Safety Partnership Annual Report • Revenue Budget Monitoring – Quarter 3 (2025-2026) • Capital Budget Monitoring – Quarter 3 (2025-2026) • External Audit Update • Equity, Diversity and Inclusion Annual Report • Internal Audit: Progress Report • Performance and Risk Report – February 2026 • Work Programme • Placeholder: LGO & ICO Updates – February 2026
Future	26 March 2026	<ul style="list-style-type: none"> • Internal Audit: Annual Plan 2026-2027 & Internal Audit Charter • Internal Audit: Progress Report • External Audit Update • Performance and Risk Report – March 2026 • Committee Annual Report 2025-2026 (to be presented to Full Council) • Regulation of Investigatory Powers Act (2000) Annual Report • Annual Complaints Report • Work Programme

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 No direct implications arising from this report.

3.2 Crime & Disorder

3.2.1 The next annual scrutiny of the Community Safety Partnership is proposed to be held at the February 2026 committee meeting.

3.3 Safeguarding

3.3.1 No direct implications arising from this report.

3.4 Dependencies

3.4.1 The committee does rely on some of the council's partners, and other committees, to deliver its work programme as proposed in Section 2 (e.g. internal and external audit, and the Community Safety Partnership).

3.5 Other

3.5.1 No other direct implications arising from this report.

4 Financial Implications

4.1 None for the purposes of this report.

4.2 **Section 151 Officer's comments:** None arising from the contents of this report.

5 Legal Implications

5.1 None for the purposes of this report.

5.2 **Legal Officer's comments:** None arising from the contents of this report.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council: Strengthen the council's financial independence.
- Effective Council: Improve openness, transparency and customer service.
- Safe & Well: Work with partners to keep our borough safe and secure.

6.2 **Service Plans:** The report is not included within the current Service Delivery Plan, although several items contained within are.

6.3 **Climate & Environmental Impact of recommendations:** No direct implications arising from this report.

6.4 **Sustainability Policy & Community Safety Implications:** See Para. 3.2.1.

6.5 **Partnerships:** No direct implications arising from this report.

7 Background papers

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Committee Work Programme, *Audit and Scrutiny Committee*, 6th February 2025. Online available: <https://democracy.epsom-ewell.gov.uk/documents/s34582/Work%20Programme%20-%20February%202025.pdf> [last accessed 31/01/2025].

Other papers:

- None.

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INTERNAL AUDIT CHARTER 2025/26 AND INTERNAL AUDIT PLAN 2025/26 (Q1/2)

Head of Service:	Andrew Bircher - Assistant Director, Corporate Services
Report Author:	Natalie Jerams, Deputy Head of Southern Internal Audit Partnership
Wards affected:	All Wards
Appendices (attached):	Appendix 1 - Internal Audit Charter 2025/26 Appendix 2 – Internal Audit Plan 2025/26 (Q1/2)

Summary

This report provides the Audit & Scrutiny Committee with the Internal Audit Charter 2025/26 and the Internal Audit Plan for 2025/26 (Q1/2).

Recommendation (s)

The Committee is asked to:

- (1) Approve the Internal Audit Charter 2025/26 as set out in Appendix 1.**
- (2) To provide input to and approve the Internal Audit Plan 2025/26 (Q1/2) as set out in Appendix 2.**

1 Reason for Recommendation

- 1.1 In accordance with constitutional requirements the Audit & Scrutiny Committee oversees internal audit activity helping to ensure efficient and effective independent assurance arrangements are in place. The approval of the Internal Audit Charter and Internal Audit Plan is integral to this.

2 Background

- 2.1 The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

'A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'

- 2.2 From 1 April 2025, the 'standards or guidance' in relation to internal audit are those laid down in the Global Internal Audit Standards (GIAS), Application Note: Global Internal Audit Standards in the UK Public Sector (Application Note) and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements shall be referred to as the Global Internal Audit Standards in the UK Public Sector (the Standards).
- 2.3 The Southern Internal Audit Partnership have made all necessary adaptations to its processes, procedures and practices to ensure it is best placed to conform with these requirements with effect from 1 April 2025.
- 2.4 The Standards (6.2) require all internal audit providers to implement and maintain an 'Internal Audit Charter'. The internal audit charter is defined as 'a formal document that includes the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications'
- 2.5 Standard 11.3 (Communicating Results) references the possibility that a Chief Internal Auditor may be required to make a conclusion at the level of the organisation about the effectiveness of governance, risk management and/or control. Section 10B of the Application Note makes it a mandatory requirement in the UK public sector, for the Chief Internal Auditor to prepare such an overall conclusion at least annually in support of wider governance reporting. This overall conclusion must encompass governance, risk management and control. The requirement for an overall conclusion must also inform planning carried out under GIAS Standard 9.4 (Internal Audit Plan).
- 2.6 In accordance with the Standards (9.4) there is a requirement that internal audit must create a risk-based internal audit plan that supports the achievement of the organisation's objectives. The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to fulfil the audit mandate and delivery of the internal audit strategy.
- 2.7 The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:
- The framework of internal control, risk management and governance is appropriate and operating effectively; and
 - Risks to the achievement of the Council's objectives are identified, assessed and managed to a defined acceptable level.

3 Internal Audit Charter 2025-26

- 3.1 The internal audit charter is reported to the Audit & Scrutiny Committee annually for review and approval and it has been updated to reflect the requirements of the new Standards. A copy is attached at Appendix 1.

4 Internal Audit Risk-Based Plan 2025-26 (Q1/2)

- 4.1 To ensure internal audit focus remains timely and relevant, the Southern Internal Audit Partnership has moved to a six monthly planning process for the Council. All auditable areas of review remain subject to ongoing assessment and discussion with management and Audit & Scrutiny Committee.
- 4.2 The proposed risk based internal audit plan for 2025-26 (Q1/2) is attached at Appendix 2 and has been developed at a strategic level providing a value adding, and proportionate level of assurance aligned to the Council's strategic outcomes. It is based on a range of inputs including review of the Council's strategic risk register, sector knowledge and discussions with senior management.
- 4.3 Internal audit focus should be proportionate and appropriately aligned, and as such, only high and medium priority reviews identified during the planning process are incorporated within the Internal Audit Plan. The exception to this is where 'mandatory' audits (for example to certify the accuracy of grant claims to meet funding requirements) or specific management requests have been raised and sufficient capacity is available.
- 4.4 The audit plan will remain fluid to ensure internal audit's ability to react to the changing needs of the Council. As detailed within SIAPs Horizon Scan, one such area that provides volatility to the public sector landscape is the new legislation associated with Local Government Reorganisation (LGR) and Devolution. SIAP will follow developments closely and through discussions in our regular meetings with management we will provide support and identify where the plan needs to be adjusted to include any new and emerging risks. It should be recognised that any additions to the plan must be able to clearly demonstrate a contribution to the audit conclusion on risk management, control and governance.
- 4.5 Any changes to the plan (including advisory assignments) will be transparently reported to the Strategic Leadership Team and the Audit & Scrutiny Committee during the course of the year for approval as part of our regular Progress Reports.
- 4.6 The Internal Audit Charter ensures the Chief Internal Auditor has sufficient resource necessary to fulfil the requirements and expectations to deliver an internal audit conclusion.

- 4.7 Significant matters that jeopardise the delivery of the plan, or require changes to the plan will be identified, addressed and reported to the Audit & Scrutiny Committee, through regular progress reports.
- 4.8 The endorsement and sponsorship of the plan at member / Strategic Leadership Team level will assist in providing the engagement and buy-in of staff at an operational level to ensure the outcome of audit reviews are optimised.

5 Risk Assessment

Legal or other duties

5.1 Equality Impact Assessment

5.1.1 None for the purposes of this report.

5.2 Crime & Disorder

5.2.1 None for the purposes of this report.

5.3 Safeguarding

5.3.1 None for the purposes of this report.

5.4 Dependencies

5.4.1 None

5.5 Other

5.5.1 None for the purposes of this report.

6 Financial Implications

6.1 There are no financial implications in this report.

6.2 **Section 151 Officer's comments:** None arising from the contents of this report.

7 Legal Implications

- 7.1 There are no legal implications arising from this report.
- 7.2 **Legal Officer's comments:** The council is required by statute (under the Regulations 3 & 5 of the Accounts and Audit Regulations 2015 and section 151 of the Local Government Act 1972) to have an adequate and effective internal audit function. Regulation 3 of the Accounts and Audit Regulations 2015 requires the council to ensure that it has a sound system of internal control which (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives; (b) ensures that the financial and operational management of the authority is effective; and (c) includes effective arrangements for the management of risk. Regulation 5 of the Accounts and Audit Regulations 2015 requires the council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

8 Policies, Plans & Partnerships

- 8.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- 8.1.1 Effective Council: Engaging, responsive and resilient Council.
- 8.2 **Service Plans:**
- 8.2.1 The matter is not included within the current Service Delivery Plan.
- 8.3 **Climate & Environmental Impact of recommendations:**
- 8.3.1 No relevance for the purpose of this report.
- 8.4 **Sustainability Policy & Community Safety Implications:**
- 8.4.1 No relevance for the purpose of this report.
- 8.5 **Partnerships:**
- 8.5.1 The council's arrangements with partners, such as shared services, are considered within the remit of Internal Audit.

9 Background papers

Previous reports:

- 9.1.1 Audit and Scrutiny Committee (2024) *Internal Audit Plan 2024-2025 and Internal Audit Charter 2024-2025*, 28th March 2024. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CIId=157&MIId=1523>

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**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

**EPSOM & EWELL
BOROUGH COUNCIL**

**Internal Audit Charter
2025/26**

Prepared By: Natalie Jerams, Deputy Head of Southern Internal Audit Partnership

February 2025

1. Introduction

The [Global Internal Audit Standards](#), issued by the Institute of Internal Auditors and effective in the UK Public Sector from April 2025, guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function.

While the Global Internal Audit Standards apply to all internal audit functions, it is acknowledged that internal auditors in the public sector work in a political environment under governance, organisational and funding structures that differ from those of the private sector.

Consequently, internal audit practitioners working in, or for, the UK public sector are required to apply the Global Internal Audit Standards subject to the interpretations and requirements of the [Application Note: Global Internal Audit Standards in the UK public sector](#), issued by Relevant Internal Audit Standard Setters (RIASS).

In addition, relevant public sector bodies are also required to apply the Chartered Institute of Public Finance & Accountancy (CIPFA) [Code of Practice for the Governance of Internal Audit in UK Local Government](#) which provides a conduit for meeting the essential conditions for governance set out in the Global Internal Audit Standards, tailored for UK local government.

The collective requirements shall be referred to as the Global Internal Audit Standards in the UK Public Sector. All SIAP policies and procedures have been reviewed and updated to ensure compliance with these requirements with effect from April 2025.



The Standards require all internal audit providers to implement and maintain an 'Internal Audit Charter'.

The internal audit charter is defined as *'a formal document that includes the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications'*

2. Definitions

The Global Internal Audit Standards in the UK Public Sector apply the following definitions:

The Board – *‘the governing body authorised to provide the internal audit function with the appropriate authority, role, and responsibilities.’* At the Council this shall mean the Audit and Scrutiny Committee.

Senior Management – *‘the highest level of executive management of an organisation that is ultimately accountable to the Board for executing the organisation’s strategic decisions, typically a group of persons that includes the Chief Executive Officer or Head of Organisation’.* At the Council this shall mean the Strategic Leadership Team (SLT).

3. Internal Audit Mandate

The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

‘5. (1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—

- (a) make available such documents and records; and*
- (b) supply such information and explanations*

as are considered necessary by those conducting the internal audit.

(3) In this regulation “documents and records” includes information recorded in an electronic form.’

From 1 April 2025, the *‘standards or guidance’* in relation to internal audit are those laid down in the Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government.

The scope of internal audit includes both assurance and advisory services covering the entire breadth of the Council, including all activities, assets, and personnel of the organisation.

Fraud investigations may also be commissioned which will be conducted by the Southern Internal Audit Partnership’s Counter Fraud Unit.

4. Authority, Roles and Responsibilities

Authority

The Chief Internal Auditor is positioned at a level in the organisation that enables internal audit services and responsibilities to be performed independently of management and with objectivity, enabling escalation as appropriate.

The Chief Internal Auditor reports functionally to the Audit and Scrutiny Committee, and organisationally to the Assistant Director (Corporate Services) and the Director of Corporate Services and Chief Finance Officer (S151), who is a member of the Strategic Leadership Team and has statutory responsibility as proper officer under Section 151 of the Local Government Act 1972, for ensuring an effective system of internal financial control and proper financial administration of the Council's affairs.

The Chief Internal Auditor has direct access to the Chief Executive who carries the responsibility for the proper management of the Council and for ensuring that the principles of good governance are reflected in sound management arrangements.

The Chief Internal Auditor has direct access to the Council's Monitoring Officer where matters arise relating to Chief Executive responsibility, legality and standards.

Where it is considered necessary to the proper discharge of the internal audit function, the Chief Internal Auditor has direct access to elected Members of the Council and in particular those who serve on committees charged with governance (i.e. Audit and Scrutiny Committee). Private meetings, without senior management present, are also offered to the Chair of the Audit and Scrutiny Committee.

Should organisation structures change, senior management and the Audit and Scrutiny Committee will ensure that the reporting line of the Chief Internal Auditor remains with a member of the Strategic Leadership Team and retains the relevant access to Members and officers as outlined above.

It is recognised that the Chief Internal Auditor supervises assurance services related to activities that are managed by the Assistant Director (Corporate Services) and the Director of Corporate Services and Chief Finance Officer (S151) to whom the Chief Internal Auditor reports administratively, however, this perceived impairment is mitigated through overview from the Head of Southern Internal Audit Partnership, and the alternative reporting lines detailed above.

Internal audit reporting protocols are in place to ensure that the scope of work and findings for all assignments are reported appropriately and that agreed management actions are approved by senior management.

Every effort will be made to resolve disagreements that may arise during the audit process. However, if, unresolved issues (such as limitations to the scope of work or failure to agree appropriate actions in response to audit findings) are considered by internal audit to fall outside of the Council's risk tolerance, these will be escalated to the relevant Head of Service in the first instance and then to the Assistant Director (Corporate Services) and the Director of Corporate Services and Chief Finance Officer (S151) and Audit and Scrutiny Committee as deemed necessary.

The Strategic Leadership Team and the Audit and Scrutiny Committee authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information. Such access shall be granted on demand and not subject to prior notice.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of the Council and other specialised services from within or outside the Council to complete internal audit services.

Role

The role of internal audit is best summarised through its definition within the Global Internal Audit Standards in the UK Public Sector, as:

'An independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.'

Purpose

Internal audit strengthens the Council's ability to create, protect, and sustain value by providing the Audit and Scrutiny Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal audit enhances the Council's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Internal audit is most effective when:

- It is performed by competent professionals in conformance with the Global Internal Audit Standards in the UK Public Sector, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the board.
- Internal auditors are free from undue influence and committed to making objective assessments.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively. The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

Responsibility

The responsibility for maintaining an adequate and effective system of internal audit within the Council lies with the Director of Corporate Services and Chief Finance Officer (S151), as the authority's Chief Finance Officer (S151 Officer).

For the Council, internal audit is provided by the Southern Internal Audit Partnership. The Chief Internal Auditor (Deputy Head of Southern Internal Audit Partnership) is responsible for effectively managing the internal audit activity in accordance with the Global Internal Audit Standards in the UK Public Sector.

The Chief Internal Auditor

Has the responsibility to:

- At least annually, develop a risk-based internal audit plan engaging with the Audit and Scrutiny Committee and Strategic Leadership Team and submit the plan to the Audit and Scrutiny Committee for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Audit and Scrutiny Committee and Strategic Leadership Team.

- Review and adjust the internal audit plan, as necessary, in response to changes in the Council's business, risks, operations, programs, systems, and controls.
- Communicate with the Audit and Scrutiny Committee and Strategic Leadership Team if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards in the UK Public Sector (and relevant laws and/or regulations).
- Follow up on engagement findings and confirm the implementation of management actions or action plans and communicate the results of internal audit services to the Audit and Scrutiny Committee and Strategic Leadership Team periodically and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards in the UK Public Sector and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact the Council and communicate to the Audit and Scrutiny Committee and Strategic Leadership Team as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure awareness of the Council's relevant policies and procedures, however should such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards in the UK Public Sector, such conflicts will be resolved or documented and communicated to the Audit and Scrutiny Committee and Strategic Leadership Team.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services.
- Deliver an annual conclusion that can be used by the Council to inform its annual governance statement. The annual conclusion will conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. Discuss the annual conclusion with the Audit and Scrutiny Committee and Strategic Leadership Team and submit the annual conclusion to the Audit and Scrutiny Committee for review and approval.

The Chief Internal Auditor will liaise with the external auditors on matters of mutual interest and to seek opportunities for cooperation in the conduct of audit work. The external auditors will have the opportunity to rely on the work of internal audit where appropriate.

A range of internal audit services are provided (Annex 1) in the delivery of the audit plan and to form the annual conclusion. The approach is determined by the Chief Internal Auditor and will depend on the level of assurance required, the significance of the objectives under review to the organisation's success, the risks inherent in the achievement of objectives and the level of confidence required that controls are well designed and operating as intended.

Fraud and irregularity

Internal audit will plan and evaluate their work to have a reasonable expectation of detecting fraud and identifying any significant weaknesses in internal controls.

Management is required to report all suspicions of theft, fraud and irregularity to the Chief Internal Auditor so that they can consider the adequacy of relevant controls, evaluate the implication of the fraud on the risk, control and governance processes and consider making recommendations as appropriate.

Internal audit will not carry out investigations unless commissioned to do so and where this is the case, the Chief Internal Auditor will ensure that investigators are appropriately trained in carrying out their responsibilities.

Where there is evidence that Council staff are committing fraud, internal audit will liaise with the Assistant Director (Corporate Services), Director of Corporate Services and Chief Finance Officer (S151) and the service concerned.

Internal audit will consider assurance over the Council's Anti-Fraud & Anti-Corruption Strategy and framework as part of the internal audit planning process.

5. Internal audit resources

The Chief Internal Auditor is professionally qualified (CMIIA, CCAB or equivalent), maintains a comprehensive understanding of the Global Internal Audit Standards in the UK Public Sector, has wide internal audit and management experience, reflecting the responsibilities that arise from the need to build and manage an effective internal audit function (incl. recruitment, training and development), liaises internally and externally with Members, senior management and other professionals, and demonstrates sound sector knowledge & experience.

The Assistant Director (Corporate Services) and the Director of Corporate Services and Chief Finance Officer (S151) will provide the Chief Internal Auditor with the resources necessary to fulfil the Council's requirements and expectations to fulfil the audit mandate and delivery of the internal audit strategy.

The Head of the Southern Internal Audit Partnership has a resource strategy in place to optimise internal audit resources. Ongoing sufficiency of resources (financial, human and technological) will be transparently communicated by the Chief Internal Auditor to the Strategic Leadership Team and the Audit and Scrutiny Committee through regular reporting as part of the approval of the internal audit plan and further throughout the year as part of the progress reports and ultimately within the annual conclusion.

Any resource implications that put the fulfilment of the internal audit mandate at risk will be reported accordingly through the afore mentioned reports.

Financial Resource

The Head of Southern Internal Audit Partnership will manage the internal audit budget to enable the successful implementation of the internal audit strategy and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and relevant technologies and tools.

The Head of the Southern Internal Audit Partnership will manage the day-to-day activities of the internal audit function effectively and efficiently, in alignment with the budget.

Human Resource

The Head of Southern Internal Audit Partnership will ensure that the internal audit service has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and operational risk-based audit plan.

The Chief Internal Auditor continually evaluates the competencies of individual internal auditors (regular one-to-ones, performance management and quality review processes), and encourages professional development.

The annual operational risk-based plan will identify the resources required to complete the work, thereby highlighting sufficiency of available resources. The Chief Internal Auditor can propose an increase in audit resource or a reduction in the number of audits if there are insufficient resources.

The Strategic Leadership Team and the Audit and Scrutiny Committee will be advised where, for whatever reason, internal audit is unable to provide assurance on any significant risks within the timescale envisaged by the risk assessment process.

Significant matters that jeopardise the delivery of the plan or require changes to the plan will be identified, addressed and reported to Strategic Leadership Team and the Audit and Scrutiny Committee.

If the Chief Internal Auditor, Strategic Leadership Team or the Audit and Scrutiny Committee consider that the scope or coverage of internal audit is limited in any way, or the ability of internal audit to deliver a service consistent with the Global Internal Audit Standards in the UK Public Sector is prejudiced, they will advise the Assistant Director (Corporate Services) and the Director of Corporate Services and Chief Finance Officer (S151) accordingly.

Technological Resource

The Head of the Southern Internal Audit Partnership will ensure the internal audit function has technology to support the internal audit process and regularly evaluate the technology used to pursue opportunities to improve effectiveness and efficiency.

The implementation of new technologies is supported through effective and timely training for internal audit staff.

The impact of any technology limitations on the effective and efficient delivery of internal audit services will be communicated to Strategic Leadership Team and the Audit and Scrutiny Committee.

6. Ethics and Professionalism

The Chief Internal Auditor will ensure that internal auditors:

- Conform with the Global Internal Audit Standards in the UK Public Sector, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the Council and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the Council.
- Report organisational behaviour that is inconsistent with the Council's ethical expectations, as described in applicable policies and procedures.
- Apply the Seven Principles of Public Life alongside existing ethical frameworks.

7. Independence and objectivity

The Chief Internal Auditor retains no roles or responsibilities that have the potential to impair the internal audit functions independence, either in fact or appearance.

Should such circumstance arise, the Chief Internal Auditor will advise the Audit and Scrutiny Committee of the safeguards put in place to manage actual, potential or perceived impairments.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review.

Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- assessing specific operations for which they had responsibility within the previous year.
- performing operational duties for the Council or its affiliates.
- initiating or approving transactions external to the internal audit function.
- directing the activities of any Council employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit team or to assist internal auditors.

Internal auditors will:

- disclose impairments of independence or objectivity, in fact or appearance, to the Chief Internal Auditor.
- exhibit professional objectivity in gathering, evaluating, and communicating information.
- make balanced assessments of all available and relevant facts and circumstances.
- take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Induction and refresher training combined with internal audit procedures and guidance provide a systematic and disciplined approach for gathering and evaluating information to provide a balanced assessment of the activity under review.

The Chief Internal Auditor will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication.

If the Chief Internal Auditor determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

In addition, to achieve the degree of independence and objectivity necessary to effectively discharge its responsibilities, arrangements are in place to ensure the internal audit activity:

- operates in a framework that allows unrestricted access to Strategic Leadership Team and the Audit and Scrutiny Committee.
- reports functionally to Audit and Scrutiny Committee.
- reports in their own name.
- rotates responsibilities for audit assignments within the internal audit team.
- completes individual declarations confirming compliance with rules on independence, objectivity, conflicts of interest and acceptance of inducements, and
- ensures the planning process recognises, records and addresses potential conflicts of interest.

A register of potential conflicts of interest will be maintained with each case assessed and outcomes documented. If, despite this, independence or objectivity is impaired in fact or appearance, the details of the impairment will be disclosed to Strategic Leadership Team and the Audit and Scrutiny Committee. The nature of the disclosure will depend upon the impairment.

The Strategic Leadership Team will ensure that independence is safeguarded through ensuring internal audit's access to staff and records, as set out in regulations and the charter, operates freely and without any interference and where there are actual or potential impairments to the independence of internal audit, the Strategic Leadership Team will work with the Chief Internal Auditor to remove or minimise them or ensure safeguards are operating effectively.

The Audit and Scrutiny Committee will support internal audit's independence by reviewing the effectiveness of safeguards at least annually, including any issues or concerns about independence raised by the Chief Internal Auditor.

The Chief Internal Auditor will confirm to the Audit and Scrutiny Committee, at least annually, the organisational independence of the internal audit function. The Chief Internal Auditor will disclose to the Audit and Scrutiny Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate.

Matters around the appointment, removal, remuneration and performance evaluation of the Chief Internal Auditor will be undertaken by the Head of the Southern Internal Audit Partnership.

The Audit and Scrutiny Committee should provide feedback on the performance evaluation of the Chief Internal Auditor. This will be achieved through an annual survey sent to all Audit and Scrutiny Committee members.

8. Due Professional Care

Internal auditors will perform work with due professional care, competence and diligence. Internal auditors cannot be expected to identify every control weakness or irregularity, but their work should be designed to enable them to provide reasonable assurance regarding the controls examined within the scope of their review.

Internal auditors will have a continuing duty to develop and maintain their professional skills, knowledge and judgement based on appropriate training, ability, integrity, objectivity and respect.

Internal auditors will apprise themselves of the Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government and will work in accordance with them in the conduct of their duties.

Internal auditors will be alert to the possibility of intentional wrongdoing, errors and omissions, poor value for money, failure to comply with management policy and conflicts of interest. They will ensure that any suspicions of fraud, corruption or improper conduct are promptly reported to the Chief Internal Auditor.

Internal auditors will treat the information they receive in carrying out their duties as confidential. There will be no unauthorised disclosure of information unless there is a legal or professional requirement to do so. Confidential information gained during internal audit work will not be used to effect personal gain.

9. Communication, Reporting and Oversight

Internal Audit Strategy

The Head of the Southern Internal Audit Partnership will develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the Council and aligns with the expectations of the Audit and Scrutiny Committee, Strategic Leadership Team and other key stakeholders.

The internal audit strategy is a plan of action designed to achieve the audit function's long-term objective(s). The internal audit strategy includes a vision, strategic objectives, and supporting initiatives for the internal audit function to help fulfil the internal audit mandate.

Internal Audit Charter

The internal audit charter defines the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications relevant to its effective operation.

Audit Plan

The Chief Internal Auditor will develop an internal audit plan that supports the achievement of the Council's objectives.

The plan will be based on a documented assessment of the Council's strategies, objectives, and risks. Such assessment will be informed through engagement with the Audit and Scrutiny Committee, and Strategic Leadership Team as well as the Chief Internal Auditor's understanding of the organisation's governance, risk and control processes.

The plan will be regularly reviewed with significant changes discussed and approved with the Strategic Leadership Team and the Audit and Scrutiny Committee in a timely manner.

Audit Assignments

Internal auditors will communicate with management at the commencement of each review to ensure that the scope and timing of the work is understood and agreed, and this will be documented in a Terms of Reference. Internal audit contacts agreed as part of this process will be expected to be available for discussions and to provide the information required to complete the assignment in line with the timelines agreed. Regular communication throughout the review will ensure timely awareness of any issues arising and a close of audit meeting will also be held to summarise and confirm findings.

The results of all planned audit assignments will be summarised in a formal report, including:

- the purpose and scope of the reviews
- the assurance opinion
- an executive summary
- action plans outlining issues arising and actions proposed by management to address them (including consideration of root cause and identification of key themes).

The reports will be distributed and agreed in line with established reporting protocols for the Council.

Progress Reports

Throughout the year the Chief Internal Auditor will maintain regular communications with the Strategic Leadership Team and the Audit and Scrutiny Committee on internal audit performance and other matters such as:

- revisions to the plan.
- any impairments to independence.
- significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for management that could interfere with the achievement of Council's strategic objective.
- results of assurance and advisory services.
- management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the Council's risk appetite.
- performance measures, including ongoing conformance with the Global Internal Audit Standards in the UK Public Sector.
- evaluation of resourcing to meet the requirements of the internal audit mandate / plan.

Annual Conclusion

The Chief Internal Auditor shall deliver an annual conclusion that can be used by the Council to inform its annual governance statement.

The annual conclusion will conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

The annual conclusion will incorporate as a minimum:

- the opinion.
- a summary of the work that supports the opinion.
- a statement on conformance with Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government.
- results of the quality assurance and improvement programme.

Quality assurance and Improvement Programme

The Head of the Southern Internal Audit Partnership maintains a quality assurance and improvement programme that covers all aspects of the internal audit function. The programme includes:

External Quality Assessments – to be performed at least once every five years by a qualified independent assessor or assessment team (with appropriate characteristics and sector knowledge). The requirement for an external quality assessment may also be met through a self-assessment with independent validation.

The decision on the appointment of the external assessor and format of the external quality assessment will be communicated to the Council’s Strategic Leadership Team and Audit and Scrutiny Committee.

Internal Quality Assessments – self-assessments to be performed annually to review internal audits conformance with the Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government along with progress towards performance objectives.

The Chief Internal Auditor will communicate annually the results of the internal quality assessment to Strategic Leadership Team and the Audit and Scrutiny Committee. The results of external quality assessments will be reported when completed.

In both cases communications will include:

- The internal audit function’s conformance with Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government and achievement of performance objectives.
- Compliance with laws and regulations relevant to internal auditing.
- If applicable, plans to address the internal audit function’s deficiencies and opportunities for improvement.

In addition, an annual satisfaction survey will be conducted with key stakeholders to assess the value of the service and to seek suggestions for improvement.

The results of the survey, annual self-assessment, and external assessment will be shared with the Strategic Leadership Team and the Audit and Scrutiny Committee, together with plans to address any issues arising.

Strategic Leadership Team

As those responsible for the leadership and direction of the Council it is imperative that the Strategic Leadership Team are engaged in:

- input, review, and approval of the internal audit mandate and charter (minimum annually).
- input, review, and approval of the internal audit strategy.
- input, and approval of the risk based internal audit plan (making appropriate enquiries of the Chief Internal Auditor to determine inappropriate scope and resource limitations).
- receiving regular progress reports from the Chief Internal Auditor on the outcomes and internal audits performance relative to its plan.
- review and approval of the Chief Internal Auditor’s annual conclusion.
- review of the quality assurance and improvement programme, engaging with, and receiving the results of internal and external assessments, including areas of non-conformance.
- review and approval of internal audits performance objectives/ measures.

The Audit and Scrutiny Committee

As those responsible for the governance of the Council it is imperative that the Audit and Scrutiny Committee are engaged in:

- input, review and approval of the internal audit mandate and charter (minimum annually).
- input, review, and approval of the internal audit strategy.
- input, and approval of the risk based internal audit plan (making appropriate enquiries of management and Chief Internal Auditor to determine inappropriate scope and resource limitations).
- receiving regular progress reports from the Chief Internal Auditor on the outcomes and internal audits performance relative to its plan.
- review and approval of the Chief Internal Auditor’s annual conclusion.
- review of the quality assurance and improvement programme, engaging, with, and receiving the results of internal and external assessments, including areas of non-conformance.
- review and approval of internal audits performance objectives/ measures.
- participation in discussions with the Chief Internal Auditor and senior management about the “essential conditions,” described in the Global Internal Audit Standards in the UK Public Sector.
- overview of significant advisory services not already included in the audit plan, prior to acceptance of the engagement.

10. Review of the internal audit mandate and charter

This mandate and charter will be reviewed annually (minimum) by the Chief Internal Auditor and reported to Strategic Leadership Team and the Audit and Scrutiny Committee for approval to ensure that any changes to the Global Internal Audit Standards in the UK Public Sector, reorganisation within the organisation or other significant changes affecting the nature and scope of internal audit services are considered.

Annex 1

Assurance Services

- **Risk based audit:** in which risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of managements' objectives. Any audit work intended to provide an audit opinion will be undertaken using this approach.
- **Developing systems audit:** in which the plans and designs of systems under development are assessed to identify the potential weaknesses in internal control and risk management; and programme / project management controls are assessed to ascertain whether the system is likely to be delivered efficiently, effectively and economically.
- **Quality assurance review:** in which the approach and competency of other reviewers / assurance providers are assessed in order to form an opinion on the reliance that can be placed on the findings and conclusions arising from their work.
- **Advisory services:** in which advice can be provided, either through formal review and reporting or more informally through discussion or briefing, on the framework of internal control, risk management and governance.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

- **Data analytics:** is a process of assessing data to find trends, patterns or other insights. Internal auditors use data analytics to find and define risks, errors, and anomalies that could reveal deeper problems. The extended use of data analytics helps provide greater levels of assurance through analysis of a total population rather than traditional sampling methodologies.
- **IT Audit:** a specialist IT audit team are in place that are experienced in covering all aspects of established and emerging technologies. With IT underpinning a vast majority of how we function assurance in this area is crucial. To be able to provide a fully qualified team of IT audit specialists is a fundamental component of the audit offering.

- **Fraud and irregularity investigations:** Internal audit may provide specialist skills and knowledge to assist in or lead fraud or irregularity investigations, or to ascertain the effectiveness of fraud prevention controls and detection processes.
- **Value For Money:** is implicit in the vast majority of our internal audit work, however, value for money work can also be conducted through review of the optimal use of resources to achieve an intended outcome, and can be summarised as:
 - **Economy** – minimising the cost of resources used or required (inputs) – spending less
 - **Efficiency** – the relationship between the output from goods or services and the resources to produce them – spending well
 - **Effectiveness** – the relationship between the intended and actual results of public spending (outcomes) – spending wisely
- **Third party assurance:** the availability of objective assurance from other assurance providers will be considered in determining audit needs. Where internal audit needs to work with the internal auditors of other organisations, a practice which is expanding with the development of more organisational strategic partnerships, the roles and responsibilities of each party, as well as billing arrangements, will be clearly defined, agreed and documented prior to the commencement of work. Internal audit will also ensure awareness of and seek to place reliance on the work of other independent review bodies.

Southern Internal Audit Partnership

Assurance through excellence
and innovation

EPSOM & EWELL BOROUGH COUNCIL INTERNAL AUDIT PLAN 2025/26 (Q1/2)

Prepared by: Natalie Jerams, Deputy Head of Southern Internal Audit Partnership

February 2025

**Agenda Item 10
Appendix 2**

Introduction

The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

'5. (1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'

The scope of internal audit includes both assurance and advisory services covering the entire breadth of the Council, including all activities, assets, and personnel of the organisation.

The role of internal audit is that of an:

'Independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes'.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

The aim of internal audit's work programme is to provide independent and objective assurance to management, the Strategic Leadership Team and the Audit and Scrutiny Committee, in relation to the business activities; systems and processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risks to the achievement of the Council's objectives are identified, assessed and managed to a defined acceptable level.

Conformance with internal auditing standards

From 1 April 2025, the 'standards or guidance' in relation to internal audit are those laid down in the Global Internal Audit Standards, Application Note: Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements shall be referred to as the Global Internal Audit Standards in the UK Public Sector.

The Southern Internal Audit Partnership have made all necessary adaptations to its processes, procedures and practices to ensure it is best placed to conform with these requirements with effect from 1 April 2025.

Prior to 1 April 2025 conformance was required to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there was a requirement for audit services to have an external quality assessment every five years. In September 2020 the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

Considering all sources of evidence the external assessment team concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.'

'We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

Despite the change in the Standards any external quality assessment undertaken under the Public Sector Internal Audit Standards remains valid for the duration of the successive five years (from the date it was undertaken). The Southern Internal Audit Partnership will be commissioning an external quality assessment against the Global Internal Audit Standards in the UK Public Sector during 2025.

Developing the internal audit plan 2025/26 (Q1/2)

In accordance with the Global Internal Audit Standards in the UK Public Sector there is a requirement that internal audit must create a risk-based internal audit plan that supports the achievement of the organisation’s objectives. The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to fulfil the audit mandate and delivery of the internal audit strategy.

The risk-based internal audit plan is prepared based on a range of inputs (see diagram).

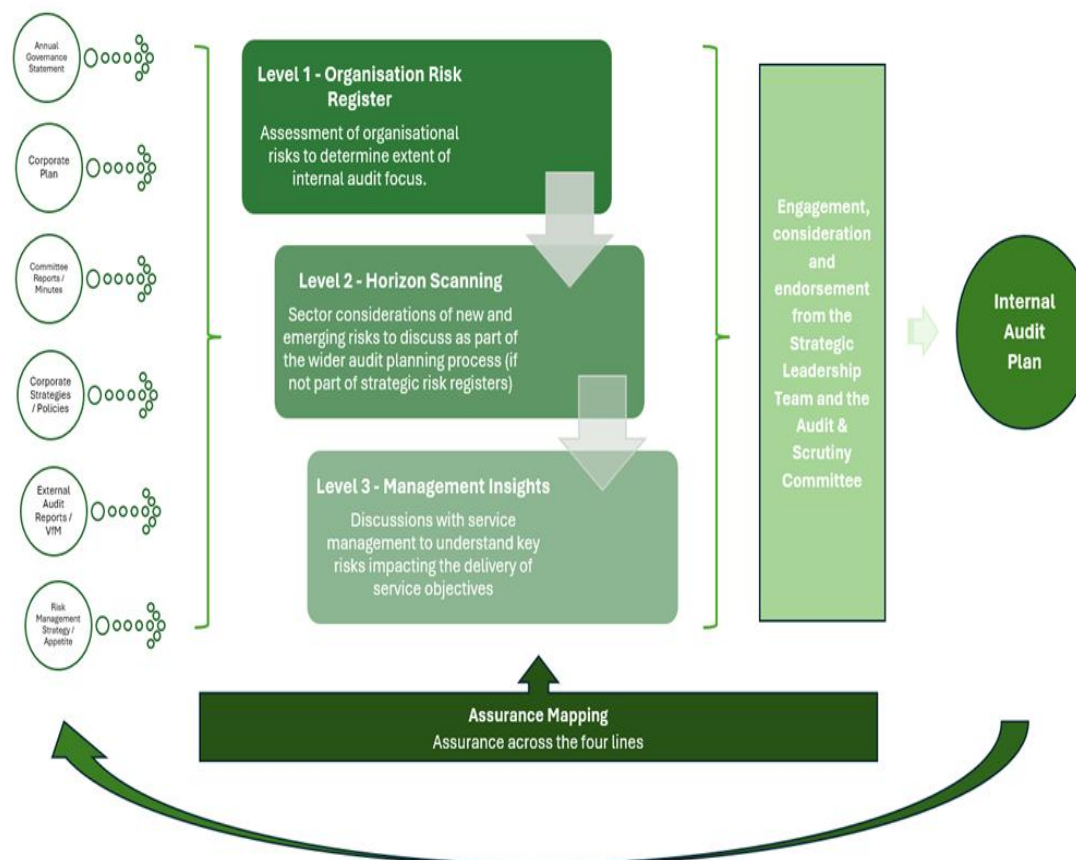
Audit planning is a perpetual process throughout the course of the year to ensure we are able to react to new and emerging risks and the changing needs of the organisation.

To ensure internal audit focus remains timely and relevant, the Southern Internal Audit Partnership has moved to a six monthly planning process. All auditable areas of review remain subject to ongoing assessment and discussion with management and the Audit and Scrutiny Committee.

Based on conversations with key stakeholders, review of risk registers, key corporate documents, our horizon scanning analysis (Annexe 1) and our understanding of the organisation, we have developed a plan of proposed internal audit coverage during quarters 1 and 2.

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation. We will however continue to work closely with other assurance providers to ensure that duplication is minimised, and a suitable breadth of assurance is obtained.

Audit Planning Framework



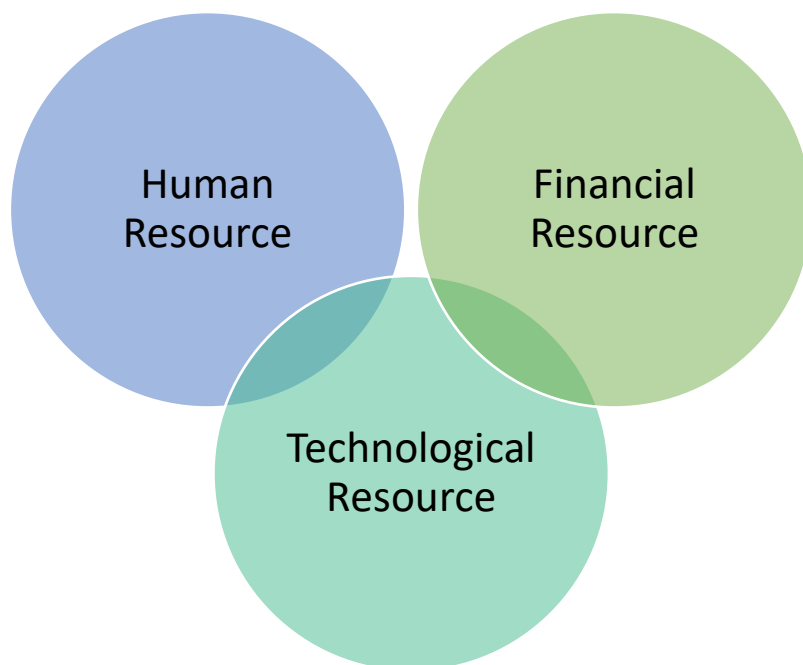
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Agenda Item 10
Appendix 2

Internal audit resources

On development of the Q1/2 2025/26 internal audit plan as Chief Internal Auditor I am of the opinion that there is a sufficient level of resource available, supported by an appropriate range of knowledge, skills, qualifications and experience to deliver the internal audit plan in the fulfilment of the audit mandate and delivery of the internal audit strategy.

The Head of the Southern Internal Audit Partnership has a resource strategy in place to optimise internal audit resources to efficiently and effectively deliver the internal audit plan.



Human Resource - the internal audit service has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and operational risk-based audit plan.

If the Chief Internal Auditor, Strategic Leadership Team or the Audit and Scrutiny Committee consider that the scope or coverage of internal audit is limited in any way, or the ability of internal audit to deliver a service consistent with the Global Internal Audit Standards in the UK Public Sector is prejudiced, they will advise the Assistant Director (Corporate Services) and the Director of Corporate Services and Chief Finance Officer (S151) accordingly.

Financial Resource - the Head of Southern Internal Audit Partnership will manage the internal audit budget to enable the successful implementation of the internal audit mandate and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and relevant technologies and tools.

Technological Resource - the internal audit function has the technology to support the internal audit process and regularly evaluates technological resources in pursuit of opportunities to improve effectiveness and efficiency.

Resourcing the internal audit plan

The Global Internal Audit Standards in the UK Public Sector require a clear analysis of the resources and hours available for internal audit engagements compared to other administrative and non-audit related activities or initiatives focused on improving the internal audit function.

Q1/2 Activity		Days
Risk-Based Audit /Advisory	- Delivery of risk-based internal audit assignments designed to fulfil the audit mandate, delivery of the internal audit strategy and in support of the Council in the achievement of their objectives.	92
Audit Management	- Time allocated for the liaison and reporting to Strategic Leadership Team and the Audit and Scrutiny Committee, ongoing monitoring and update of the audit plan, implementation of management actions and ongoing quality review.	10
Total Q1/Q2 Audit Days		102
Total Annual Audit Days	- Total resource allocation for the delivery of the internal audit plan for 2025/26	199
Total Audit Days remaining		97

*100% of the commissioned audit days are dedicated to fulfilling the audit mandate, and delivery of the internal audit strategy. Internal audit services are provided through the Southern Internal audit Partnership who undertake all administrative and non-audit related activities outside of the commissioned audit days.

A range of internal audit services are provided to deliver the internal audit plan (see Internal Audit Charter). The approach is determined by the Chief Internal Auditor and will depend on the level of assurance required, the significance of the objectives under review to the organisation's success, the risks inherent in the achievement of objectives and the level of confidence required that controls are well designed and operating as intended.

Your Internal Audit Team





Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Natalie Jerams, Deputy Head of Southern Internal Audit Partnership (Chief Internal Auditor), supported by Joanne Barrett, Audit Manager.


Independence

The Chief Internal Auditor will ensure that the internal audit function remains free from all conditions that threaten the ability of auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. The Chief Internal Auditor is not aware of any relationships that may affect the independence and objectivity of the internal audit team.

The internal audit team retains no roles or responsibilities that have the potential to impair the internal audit functions independence, either in fact or appearance. Should such circumstance arise, the Chief Internal Auditor will advise the Audit and Scrutiny Committee of the safeguards put in place to manage actual, potential or perceived impairments.

Internal Audit Plan 2025-26 (Q1/2)

Audit Assignment	Audit Sponsor	Scope	Corporate Priority	Risk Register Reference	Assurance / Advisory	Internal Audit Risk Assessment	Quarter
Climate Change Strategy	HofPD	Assurance over the monitoring and delivery of the Climate Change Strategy and action plan.		PD1, OS21, PR15,	Assurance	High	Q2
Procurement	ADCS	Assurance over compliance with Contract Standing Orders and legislative requirements including the new Procurement Act.	Governance	PCR26, PCR30	Assurance	High	Q2
HR – Organisational Capacity/Resilience	HofP&OD	To review arrangements in place for organisational capacity, staff resilience and workforce planning.		HR10	Assurance	High	Q2
Car Parking	HofH&C	Assurance over the arrangements in place for the collection of income including the processes in place for PCNs.		HC10	Assurance	High	Q1
Environmental Health Duties – HMO & Private Landlords	HofH&C	Assurance over the delivery of duties in relation to HMO and Private Landlord regulations.		HC24	Assurance	High	Q1
Council Tax	DofCS	Fundamental financial system review.	Financial	F2	Assurance	High	Q2
NNDR	DofCS	Fundamental financial system review.	Financial	F2	Assurance	High	Q2

Audit Assignment	Audit Sponsor	Scope	Corporate Priority	Risk Register Reference	Assurance / Advisory	Internal Audit Risk Assessment	Quarter
Development Management	HofPD	To review arrangements to monitor and manage the performance of Development Management service delivery.		PD3	Assurance	High	Q1
Conservators Account	DofCS	Review and completion of the annual governance and accountability return.			n/a	n/a	Q1

Four Year Plan Key Themes



Audit Sponsor

DofCS	Director of Corporate Services (S151)	DCE	Deputy Chief Executive & Director of Environment, Housing & Regeneration
ADCS	Assistant Director, Corporate Services	HofH&C	Head of Housing & Community
HofPD	Head of Place Development	HofOS	Head of Operational Services
HofP&OD	Head of People and Organisational Development	HofP&R	Head of Property & Regeneration
HofLDS	Head of Legal & Democratic Services and Monitoring Officer	HofICT	Head of ICT
IAHofS	Interim Assistant Head of Service and Streetcare Manager	IAHofV&C	Interim Assistant Head of Service, Venues & Community Commercial Services

SIAP – Local Authority

Horizon Scanning

SIAP maintain representation across a number of national forums gaining a knowledge and oversight of key and emerging risks within the sector. This coupled with the intelligence built across our Partner / client portfolio provides opportunity to pool collective knowledge enabling consideration of existing and emerging risk exposures as part of our planning within each of the organisations within which we operate.

The areas highlighted below are not exhaustive and may not necessarily constitute an internal audit review in all organisations, instead it provides a point of reference to discuss with stakeholders as part of the planning process.

National	
Cyber	<p>Local authorities manage a wide range of sensitive data making them attractive targets for cyber criminals. There has been a rise in the number of cyberattacks on local governments with hackers increasingly targeting them for ransomware and data breaches. These incidents can result in the theft of sensitive information and significant operational disturbance.</p> <p>Key forms of cyber-attack include, malware, phishing, password, man-in-the-middle, SQL injection, denial of service, insider threat, and cryptojacking.</p>
Financial Resilience / Savings Realisation	<p>The lack of sufficient funding coupled with a volatile financial climate (inflation, interest rates, cost of living), coupled with rising demands for core services have created real financial challenges across the public sector. To meet future budget gaps organisations are having to deliver challenging transformation / savings proposals to generate ongoing savings and avoid the prospect of an unsustainable draw on reserves.</p>
Climate Strategy	<p>The Government have set some challenging targets for the reduction of greenhouse gas emissions. This poses significant challenges for local authorities given the range and diversity of their operations. Many organisations have adopted climate change strategies and ambitious action plans for delivery. Climate change sits at the heart of many organisations' corporate plans, objectives and priorities over the medium term and as such is a key deliverable.</p>
Artificial Intelligence (AI)	<p>AI can offer tremendous opportunities in the delivery of public services and the streamlining of business operations; however, this does not come without risk. Given the significant resource and funding constraints in local government, and resident expectation, councils need to be part of an AI-powered future. Risks in the adoption of AI centre around ineffective governance, insufficient data foundations, data infrastructure, lack of capacity or acumen etc.</p>

National

Recruitment & Retention

As austerity continues to challenge local authorities, they become a less attractive proposition for those seeking employment. Having the right calibre and number of staff is vital to the delivery of high-quality services and to maintain sufficient organisational capacity.

Inefficient and ineffective recruitment can hinder securing higher calibre candidates and lack of support, opportunity or management can inhibit retention

Cost of Living (income collection)

Implications relate closely to organisations financial resilience. The cost-of-living crisis has knock on effects of increased service pressures (housing, homelessness, housing benefits) in addition to pressure on income collection, Ctax, NNDR, debt collection etc. Further implications can extend to the financial instability of an organisation's contractors, suppliers and supply chain management etc.

Culture

The root cause to many of the current issues faced by local authorities is underpinned by the organisation's culture. As a result, local authorities are increasingly having to examine and assess the concept of culture and if it supports their strategy and mandate. Culture can be positive or negative:

- **Positive** – ambitious, collaborative, committed, forward thinking, resilient, optimistic, open to change etc,
- **Negative** – challenging, demoralised, out of touch, siloed, stressed, tired, toxic, uncertain etc.

Devolution

The transfer of powers and funding from national to local government. The Devolution Priority Programme is for areas who wish to move towards devolution at pace. The Minister of State for Local Government and English Devolution has outlined that participants must have local agreement to move forward around a sensible geographical footprint. The Devolution Priority Programme is for areas wishing to pursue the establishment of a Mayoral Strategic Authority. This will be with a view to inaugural mayoral elections in May 2026.

Areas who join the Devolution Priority Programme will be invited to submit interim proposals to Government by March 2025. Areas which have delayed local elections will be invited to submit full proposal by May 2025, and all remaining areas invited to submit proposals by autumn 2025.

Local Government Reorganisation

Local government reorganisation is the process in which the structure and responsibilities of local authorities are reconfigured. In the context of the English Devolution White Paper, the Government have set out plans to move away from the current two-tier system of district and county councils. The Government has indicated that for most areas this will mean creating councils with a population of 500,000 or more, but there may be exceptions to ensure new structures make sense for an area, including the devolution, and decisions will be on a case-by-case basis.

The Government have indicated that they intend to deliver new unitary authorities included in the Devolution Priority Programme by April 2027 and remaining unitary authorities by April 2028.

Sector Knowledge

Tree Management

Due to a range of issues (Ash Dieback, environmental conditions etc) the health & safety risks of falling trees have increased. Reviews undertaken across a number of Partners has highlighted poor levels of control with regard the effective inspection and maintenance of trees. Of particular concern are those where the public have access, tree lined highways and those located around schools. The absence of effective management and maintenance leaves a significant risk to the public and the vulnerability of the Council should an incident occur.

Local Plan (Tier 2)

The Local Plan is a statutory requirement and guides how the communities and places across the district will develop over a 15- year period. Government has made it clear that all local authorities must have an up-to-date plan. Failure to do so could lead to intervention whereby the Government writes Local Plans and policies and could result in unplanned development in unsustainable locations. On 18 October 2024 a consultation closed on proposals to make local plans simpler, faster to prepare and more accessible.

Agency Staff

In the face of increased service pressures and the ongoing challenge of recruitment and retention it has been observed that there is a significant increase in the use of agency / interim staff. This is a costly alternative to recruitment and analytics in some organisations has seen some agency staff employed for a prolonged period questioning value for money, workforce management and decision making.

Procurement Act 2023

The rules governing public procurement are changing. The new Procurement Act introduced several new requirements that are due to go live on 24 February 2025. This affects all local authorities and as such their preparedness for change is key to future governance and control. Some of the areas the legislation is looking to enhance / improve include:

- Make procurement more accessible, efficient and beneficial for councils and suppliers
- Provide a clearer framework for decision making
- Simpler and more flexible
- Open up procurement to new entrants
- Embed transparency

Contract Management

Influenced by the Procurement Act 2023 the extended procurement life cycle necessitates a more integrated approach to procurement and contract management. Contracting Authorities should ensure that these functions are aligned to comply with transparency requirements and leverage the Act’s flexibilities.

Even the best procurement framework may fail to deliver satisfactory outcomes if ongoing contract management is ineffective. To ensure that contracts deliver both economic and social value, local authorities need to ensure that a comprehensive contract management framework is in place and is adhered to consistently throughout the life of a contract. It is important that local authorities can demonstrate to the public that value is being delivered from the contracts that are held. As ongoing contract management is usually a separate function to procurement, its importance to ensuring that value is delivered may sometimes be neglected.

Sector Knowledge

Special Educational Needs (Tier 1)

Based on an NAO estimate, around 1.9 million children and young people aged 0 to 25 years in England (11%) were identified as having special educational needs (SEN) in January 2024, with 1.7 million at school. Local authorities, working with national and local bodies, have a statutory responsibility to ensure children receive the support they need. A significant rise in service demand has caused increased financial and staffing pressures in this area which can adversely impact the organisation's ability to discharge their legal duties (in relation to SEND) but also place additional financial pressures on the wider organisation.

Buildings – Statutory Checks

Reviews across a range of organisations has highlighted significant health & safety exposure in the absence of robust governance, control and management of statutory check (fire, wate, electric, gas, legionella etc.) within council owned buildings (both civic and housing). Common risks and exposures have been highlighted regardless of the delivery method (contract or in-house). The physical risk to occupiers of the buildings coupled with the reputational and financial risk to the organisation in the event of an incident sees this remain a key area of focus.

Digitalisation

Local authorities have been focusing on improving public services through technology. This trend is driven by the increasing demand for 24/7 service availability and digital access to council services coupled with the drive for more efficient and effective process. Initiatives can be hampered by a siloed approach (not taking a whole-council approach); lack of technical acumen, programme, project management skills / governance, vfm outcomes, and not learning from the experiences of others.

School Transport (Tier 1)

Home to school transport has become an increasing pressure on council budgets as a combination of increases in demand from pupils with special educational needs and a lack of supply pushing up costs. Further influences include fuel costs perpetuated by wider world events.

Homelessness (Tier 2)

Under the Homelessness Act 2002, all housing authorities must have in place a homelessness strategy based on a review of all forms of homelessness in their district. The strategy must set out the authority's plans for the prevention of homelessness and for securing that sufficient accommodation and support are or will be available for people who become homeless or who are risk of becoming so. Demand against a limited housing provision can lend itself to expensive and extended alternatives.

Housing – Consumer Standards (Tier 2)

In the midst of increased Housing Ombudsman activity focused on key service failures, the rollout of new Government policies aimed at increasing the supply of social housing, consultation around Awaab's Law, and the conclusion of the Grenfell tower inquiry, the Regulator of Social Housing (RSH) introduced a set of Consumer Standards. These are designed to drive improvements in the quality of services provided to tenants, while ensuring Registered Providers (RPs) (both local authorities and housing associations) maintain a strong compliance framework.

The RSH has taken a more proactive approach to regulating the sector and in April 2024 introduced a programme of regulatory inspections around the Consumer Standards. This will be for all RPs, but particularly for local authorities that were not subject to In-Depth Assessments previously.

Planning Reform

Recently the Government consulted on changes to The National Planning Policy Framework and changes to the planning system, which will have an impact on local authorities once the outcome is known. It will be important for all local authorities to assess the impact of these changes and ensure that they have an action plan to implement the changes.

Governance / Statutory	
<ul style="list-style-type: none"> • Grants • Annual Governance Statement • Risk Management • Fraud Frameworks • Information Governance (DPA / FOI, SAR) • Key Financial Systems 	<ul style="list-style-type: none"> • Business Continuity Planning • Health & Safety • Ethical Governance • HR (general) • Project and Programme Management

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EXCLUSION OF PRESS AND PUBLIC

Under Section 100(A)(4) of the Local Government Act 1972, the Committee may pass a resolution to exclude the public from the Meeting for Part Two of the Agenda on the grounds that the business involves 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 outweighs the public interest in disclosing the information.

The following documents are included on Part Two of the agenda and have not been published:

Item 12 – Internal Audit: Progress Report – Appendix 2

The report deals with information relating to the financial or business affairs of the Council.

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INTERNAL AUDIT PROGRESS REPORT

Head of Service:	Andrew Bircher - Assistant Director, Corporate Services
Report Author:	Natalie Jerams, Deputy Head of Southern Internal Audit Partnership
Wards affected:	All Wards
Appendices (attached):	Appendix 1 - Internal Audit Progress Report Appendix 2 – Exempt Paper

Summary

The purpose of this report is to provide an overview of internal audit activity against the assurance work completed in accordance with the approved audit plan (2024-25) and to provide an overview of the outstanding management actions.

Recommendation (s)

The Committee is asked to:

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

1 Reason for Recommendation

- 1.1 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee.
- 1.2 This Committee has overall responsibility for the audit and governance frameworks, including the functions of an audit committee.

2 Background

- 2.1 Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:
 - ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and

- undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.

2.2 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee, summarising:

- The status of 'live' internal audit reports (outstanding management actions);
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and a summary of significant issues that may impact on the Chief Internal Auditor's annual opinion.

2.3 Appendix 1 provides a summary of internal audit's ongoing progress.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 None for the purposes of this report.

3.2 Crime & Disorder

3.2.1 None for the purposes of this report.

3.3 Safeguarding

3.3.1 None for the purposes of this report.

3.4 Dependencies

5.4.1 None

3.5 Other

3.5.1 None for the purposes of this report.

4 Financial Implications

4.1 There are no financial implications in this report.

4.2 **Section 151 Officer's comments:** None arising from the contents of this report.

5 Legal Implications

- 5.1 There are no legal implications arising from this report.
- 5.2 **Legal Officer's comments:** The council is required by statute (under the Regulations 3 & 5 of the Accounts and Audit Regulations 2015 and section 151 of the Local Government Act 1972) to have an adequate and effective internal audit function. Regulation 3 of the Accounts and Audit Regulations 2015 requires the council to ensure that it has a sound system of internal control which (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives; (b) ensures that the financial and operational management of the authority is effective; and (c) includes effective arrangements for the management of risk. Regulation 5 of the Accounts and Audit Regulations 2015 requires the council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.
- 5.3 In addition, the council must each financial year conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement (Regulation 6 (1) of the Accounts and Audit Regulations 2015). SIAP are the appointed council's internal auditors. The purpose of this report is to detail the summary findings of completed audit reports and follow-up reviews since the report submitted to the last meeting of this Committee.

6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- 6.1.1 Effective Council: Engaging, responsive and resilient Council.
- 6.2 **Service Plans:**
- 6.2.1 The matter is not included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:**
- 6.3.1 No relevance for the purpose of this report.
- 6.4 **Sustainability Policy & Community Safety Implications:**
- 6.4.1 No relevance for the purpose of this report.
- 6.5 **Partnerships:**
- 6.5.1 The council's arrangements with partners, such as shared services, are considered within the remit of Internal Audit.

7 Background papers

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Audit and Scrutiny Committee (2025) *Internal Audit Progress Report – December 2024*, 6th February 2025. Online available: <https://democracy.epsom-ewell.gov.uk/documents/s34570/Internal%20Audit%20Progress%20Report%20-%20February%202025.pdf> [Last accessed: 14/03/2025].
- Audit and Scrutiny Committee (2024) *Internal Audit Plan 2024-2025 and Internal Audit Charter 2024-2025*, 28th March 2024. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1523> Last accessed: 14/03/2025].

Southern Internal Audit Partnership

Assurance through excellence
and innovation

EPSOM & EWELL BOROUGH COUNCIL INTERNAL AUDIT PROGRESS REPORT

Prepared by: **Natalie Jerams, Deputy Head of Partnership**

February 2025

1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

2. Purpose of report

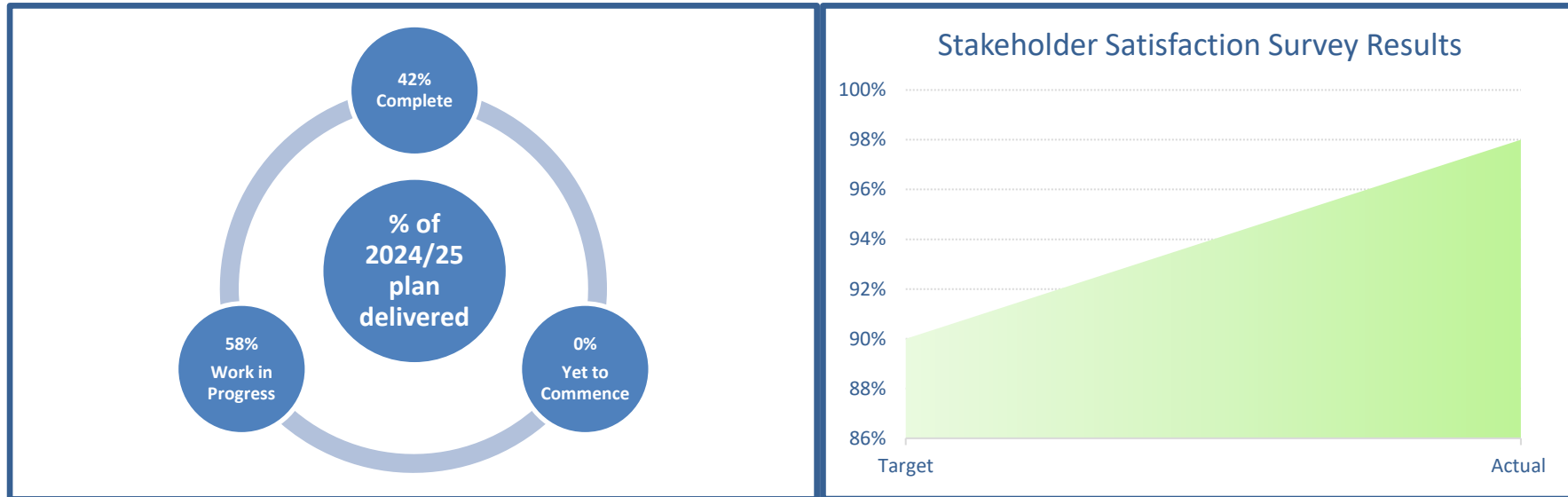
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

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.

3. Performance dashboard



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Compliance with Public Sector Internal Audit Standards

An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

Agenda Item 12
Appendix 1

4. Analysis of 'Live' audit reviews

This table reflects the status of management actions as at 31 January 2025.

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Actions*	Not Yet Due	Complete	Overdue		
							L	M	H
Information Security	30/05/2022	HofICT	Reasonable	5(1)	0(0)	4(1)	1		
Affordable Housing Delivery	03/01/2023	HofH&C	Limited	14(7)	0(0)	13(7)		1	
Investments	28/02/2023	HofP&R	Reasonable	2(0)	0(0)	1(0)		1	
Ethical Governance	11/05/2023	HofP&CR	Reasonable	11(2)	0(0)	6(2)		5	
HR – Recruitment	10/01/2024	ADCS	Reasonable	14(9)	0(0)	12(9)		2	
Fraud Framework	15/03/2024	ADCS	Reasonable	8(1)	0(0)	7(1)		1	
Risk Management	21/05/2024	ADCS	Reasonable	7(0)	0(0)	6(0)		1	
Business Continuity	28/06/2024	ADCS	Limited	7(1)	1(0)	4(1)	1	1	
Information Governance	07/10/2024	ADCS	Limited	10(1)	2(0)	6(1)	1	1	
Environmental Health – Food Safety	10/12/2024	HofH&C	No	11(5)	4(1)	7(4)			
Part 2 Exempt Items				30(8)	11(0)	16(8)		3	
Total				119(35)	18(1)	82(34)	3	16	0

*Total number of actions (total number of high priority actions)

5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There have been no new reports finalised concluding a “limited” or “no” assurance opinion since the last progress report.

6. Planning & Resourcing

The internal audit plan for 2024-25 was presented to the Senior Leadership Team and the Audit & Scrutiny Committee in March 2024.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comments
Reviews carried forward from previous years								
Main Accounting	CFO	✓	✓	✓	✓	✓	Limited	
Information Governance	ADofCS	✓	✓	✓	✓	✓	Limited	
Capital Programme	HofP&R	✓	✓	✓	✓	✓	Reasonable	
Accounts Payable	HofF	✓	✓	✓	✓	✓	Reasonable	
2024/25								
Relocation of Town Hall	DCE	✓	✓	✓	✓	✓	n/a	Position Statement
Human Resources – Use of Volunteers	HofP&OD	☑	☑					Q4
Financial Governance Framework (including Savings Realisation)	DofCS	✓	✓	✓	✓	✓	Substantial	
Decision Making & Accountability	HofLDS	✓	✓	✓				Q3
EEPIC – Governance Arrangements	HofP&R	✓	✓	✓				Q3 – Close of audit held, report pending.
IT Strategy	HofICT	✓	✓	✓	✓	✓	n/a	Position Statement
Data Backup & Ransomware Protection	HofICT	☑	☑	☑				Q4
IT Follow Up	HofICT	✓	✓	✓	✓			Q1

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comments
Treasury Management	DofCS	✓	✓	✓	☑			Q2
Payroll	HofP&OD	✓	☑	☑				Q4
Playgrounds	HofOS	✓	✓	✓				Q2 – Close of audit held, report pending.
Planning Enforcement	HofPD	✓	✓	☑				Q4
Tree Management	HofPD	✓	✓	✓				Q3
Asset Management – Management of Leases and Rents	HofP&R	✓	☑					Q4
Housing Allocations Policy	HofH&C	✓	✓	✓	☑			Q3
Env Health – Food Hygiene	HofH&C	✓	✓	✓	✓	✓	No	
Safeguarding	HofH&C	✓	✓	✓	☑			Q3
Follow Up	Various	✓	✓	✓				Q2 – close of audit held, report pending.
EWDC Conservators Account	DofCS	✓	✓	✓	n/a	✓	n/a	Q1

☑ - This symbol reflects the progress that has been made since the last progress report was presented to the Audit & Scrutiny Committee on 6 February 2025.

Audit Sponsor			
DofCS	Director of Corporate Services (S151)	DCE	Deputy Chief Executive & Director of Environment, Housing & Regeneration
ADCS	Assistant Director, Corporate Services	HofH&C	Head of Housing & Community
HofPD	Head of Place Development	HofOS	Head of Operational Services
HofP&OD	Head of People and Organisational Development	HofP&R	Head of Property & Regeneration
HofLDS	Head of Legal & Democratic Services and Monitoring Officer	HofICT	Head of ICT
IAHofS	Interim Assistant Head of Service and Streetcare Manager	IAHofV&C	Interim Assistant Head of Service, Venues & Community Commercial Services

8. Adjustment to the Internal Audit Plan

There has been the following adjustment to the 2024/25 plan to date:

Plan Variations for 2024/25	
Removed from the plan	Reason
Housing Benefits	Postponed due to officer capacity to respond and engage with the review in Q4.

Overdue 'High Priority' Management Actions

None to report.

Overdue 'Low & Medium Priority' Management Actions

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
Information Security	30.05.2022	Reasonable	Low	31.12.2022	30.05.2024 01.09.2024 31.12.2024 28.02.2025 28.03.2025
Affordable Housing Delivery	03.01.2023	Limited	Medium	31.12.2024	31.12.2026
Investments	28.02.2023	Reasonable	Medium	31.03.2024	31.03.2025
Ethical Governance	11.05.2023	Reasonable	Medium	31.07.2023	31.03.2024 30.09.2024 31.03.2025
			Medium	31.03.2024	30.06.2024 30.09.2024 31.12.2024 31.03.2025
			Medium	31.03.2024	30.06.2024 30.09.2024 31.12.2024 31.03.2025
			Medium	31.03.2024	30.06.2024 30.09.2024 31.12.2024 31.03.2025
			Medium	31.03.2024	30.06.2024 30.09.2024 31.12.2024 31.03.2025

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
HR Recruitment	10.01.2024	Reasonable	Medium	30.06.2024	31.12.2024 31.03.2025
			Medium	30.06.2024	31.03.2025
Fraud Framework	15.03.2024	Reasonable	Medium	30.09.2024	31.01.2025 30.04.2025
Risk Management	21.05.2024	Reasonable	Medium	30.11.2024	31.03.2025
Business Continuity	28.06.2024	Limited	Medium	31.12.2024	28.02.2025 31.03.2025
			Low	31.12.2024	28.02.2025 31.03.2025
Information Governance	07.10.2024	Limited	Medium	31.12.2024	31.03.2025
			Low	31.10.2024	31.03.2025

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