



AUDIT AND SCRUTINY COMMITTEE

Thursday 17 July 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 Phil Neale (Vice-Chair)
Councillor Chris Ames
Councillor Steve Bridger

Councillor Tony Froud
Councillor Alison Kelly
Councillor Jan Mason
Councillor Chris Watson

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 fifth working day before the day of the meeting. For this meeting this is **Noon, Thursday 10 July**.

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 16 July**.

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 - 14)

The Committee is asked to confirm as a true record the Minutes of the Meeting of the Committee held on the **27 March 2025** (attached) and to authorise the Chair to sign them.

4. OMBUDSMAN ANNUAL REPORT 2024-25 (Pages 15 - 20)

This report provides the annual review of complaints received and decisions made by the Local Government and Social Care Ombudsman (LGO) between April 2024- and March 2025 inclusive.

5. USE OF URGENT DECISIONS ANNUAL REPORT (Pages 21 - 28)

In accordance with the Council's Scheme of Delegation to officers, this report sets out urgent decisions taken by officers in consultation with committee Chairs for the period 3 June 2024 to 3 June 2025.

6. PERFORMANCE AND RISK REPORT: 2024-25 END OF YEAR REPORT (Pages 29 - 90)

This report provides an update of the council's end of year corporate performance with respect to its 2024-2025 annual plan objectives, key performance indicators, corporate risks, committee risks, and annual governance statement actions.

7. ANNUAL GOVERNANCE STATEMENT 2024-2025 (Pages 91 - 116)

The Annual Governance Statement (AGS) is an important document which provides assurance concerning the council's governance arrangements, both financial and non-financial. It is prepared on an annual basis for inclusion in the Statement of Accounts. This report seeks the Committee's approval of the draft AGS 2024-25.

8. WORK PROGRAMME - JULY 2025 (Pages 117 - 120)

This report presents the Committee with its annual Work Programme.

9. MANAGEMENT RESPONSE TO EXTERNAL AUDITORS' REPORT (Pages 121 - 126)

To receive a report on the management responses to the External Auditor's recommendations.

10. EXTERNAL AUDIT UPDATE – 2024-25 AUDIT PLAN (Pages 127 - 178)

This report presents the External Audit Plan for 2024/25. In accordance with audit regulations, it must be presented to Committee.

11. INTERNAL AUDIT: ANNUAL REPORT & OPINION 2024-2025 (Pages 179 - 206)

The purpose of this paper is to present the Annual Internal Audit Conclusion for 2024/25 (Appendix 1) in accordance with the requirements of the Public Sector Internal Audit Standards.

12. INTERNAL AUDIT: PROGRESS REPORT (Pages 207 - 224)

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 status of management actions.

13. EXCLUSION OF THE PRESS AND PUBLIC (Pages 225 - 226)

The Committee is asked to consider whether it wishes to pass a resolution to exclude the Press and Public from the meeting in accordance with Section 100A (4) of the Local Government Act 1972 on the grounds that the business 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.

Minutes of the Meeting of the AUDIT AND SCRUTINY COMMITTEE held at the Council Chamber, Epsom Town Hall on 27 March 2025

PRESENT -

Councillor Steven McCormick (Chair); Councillor Phil Neale (Vice-Chair); Councillors Chris Ames, James Lawrence, Robert Leach (as nominated substitute for Councillor Alex Coley), Graham Jones and Alan Williamson

Absent: Councillor Jan Mason and Councillor Alex Coley

Officers present: Peter Sebastian (Director of Corporate Services (S151)), Andrew Bircher (Assistant Director of Corporate Services), Alex Awoyomi (Principal Solicitor), Will Mace (Corporate Governance & Strategy Manager), Natalie Jerams (Deputy Head of Partnership) (in attendance remotely), Joanne Barrett (Audit Manager) (in attendance remotely) and Phoebe Batchelor (Democratic Services Officer)

48 POINT OF ORDER

Councillor Chris Ames raised a Point of Order regarding the procedure for a Committee Member being substituted.

Councillor Ames raised concern that a Member of the Committee was excluded from the Meeting and a substitute sent in their place. Councillor Ames did not understand why a substitute had been sent for Councillor Coley and did not believe that a substitute had a right to be at the meeting. Councillor Ames did not believe that there is any rule that allows a Committee Member to be substituted.

Councillor Ames explained that named Councillors were appointed as Members of the Committee at Full Council in May 2024. He stated that those appointed should sit on the Committee for the full municipal year. Councillor Ames stated that seats were not awarded to political parties, but instead they had the right to nominate Members, who did not need to be a part of the same political party.

Councillor Ames asked for an explanation as to the legal basis on which Councillor Coley has been substituted and asked for a rule to be cited which allows that to happen.

The Chair responded, and explained the advice provided by the Monitoring Officer, in relation to the issue raised. The Chair explained that there is no scope for this to be debated in the meeting, as the substitution of a Member is a Constitutional Matter. The Monitoring Officer's advice stated that the current provision for substitution is set out in the Constitution, Appendix 5, CPR 15.4,

which states, ‘A member of a committee, joint committee, sub-committee or advisory panel may, for the whole of a specified meeting, designate as their substitute another councillor. The substitute may attend the meeting on behalf of, but not in addition to, the nominating member and shall be entitled to speak and vote. The nominating member, Leader / Chair of their Group, or Deputy Leader / Chair of their Group, shall inform the Democratic Services Manager of the substitute in writing prior to the meeting in question.’ The Chair confirmed that the Leader of the Residents’ Association Group, notified the Democratic Services Manager prior to the meeting, of the substitution.

Councillor Ames disagreed with the advice shared by the Monitoring Officer and stated that the Leader of the RA Group did not have the authority to substitute Councillor Coley, as Councillor Coley is no longer a member of the RA Group. Councillor Ames requested the opinion of the Deputy Monitoring Officer.

The Deputy Monitoring Officer concurred with the advice given by the Monitoring Officer and had nothing further to add.

The Chair noted Councillor Ames’ comments and explained that there was no scope to debate the topic further at the Committee Meeting.

The Chair asked Councillor Ames to be mindful of their behaviour and conduct if they wish to remain at the Meeting.

49 QUESTIONS AND STATEMENTS FROM THE PUBLIC

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

50 DECLARATIONS OF INTEREST

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

51 MINUTES OF THE PREVIOUS MEETING

The Committee confirmed as a true record the Minutes of the Meeting of the Committee held on **6 February 2025** and authorised the Chair to sign them, subject to the following amendment italicised below;

“Minute 46,

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 **of the external auditors to the Council** 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."

A Member of the Committee raised that they had two accuracy concerns with the Minutes. The first was under Minute item 46, it states the Councillor Chinn provided a verbal statement to the Committee but does not detail what was said in the statement.

The Chair informed the Member that this is standard practice that is always followed when recording Councillors-in-attendance speaking at Committees they are not a Member of. The Chair also reminded Members that the minutes are not a transcript of the meeting, and they are not intended to record verbatim what was said.

The second concern raised was in regard to Minute item 46, paragraph d, where the Member spoke about their negative experience with transparency at the Council. The Member was not happy that their examples listed were not also included in the Minutes. The Chair noted the comments. No further action was taken.

Another Member of the Committee raised an issue with the comment made by the Director of Corporate Services (S151) at the February Meeting, that he did not agree with characterisation of SLT, that they were unwilling or not wanting to make changes regarding transparency at the Council. The Member stated that the management response and lack of management actions, made clear that it is a fair characterisation that SLT are not wanting to improve transparency or take on the external auditors' recommendations.

The Director of Corporate Services (S151) responded to the comments to explain that SLT appreciate there is more work to be done to provide as much transparency as possible, and it is not correct to say that the Strategic Leadership Team think there is not more work to be done.

52 COMPLAINTS REPORT APRIL 2024 - DECEMBER 2024

The Committee received a report detailing Stage 1 and Stage 2 complaints received by the Council from 01 April 2024 to 31 December 2024.

The following matters were considered:

- a) **Place Development.** A Member of the Committee asked if planning service and planning enforcement complaints are reported separately, or if they are included within the report. The Assistant Director of Corporate Services replied and explained that the nature of complaints in the report, refer to issues with how the Council has handled something, be it Planning Officers or the Planning Committee. He explained that for issues regarding planning decisions, there is a separate mechanism for dealing with that, which is to appeal, if someone has received an outcome they are not expecting. There isn't a third party right of appeal.

Following consideration, the Committee unanimously resolved to:

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

53 FSAG ANNUAL TREASURY MANAGEMENT REPORT

The Committee received a report providing 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.

Following consideration, the Committee unanimously resolved 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.**

54 REGULATION OF INVESTIGATORY POWERS ACT (2000) ANNUAL REPORT

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

The following matters were considered:

- a) **Declaration of Interest.** The Chair informed the Committee that he sits on the Community Safety Partnership, in his capacity as a County Councillor. The Chair stated this does not impact him in any way in regard to the report.

- b) **Director of Corporate Services.** A Member of the Committee highlighted that on page 80 there is (tbc) next to the Director of Corporate Services and queried whether a name will be added. The Assistant Director of Corporate Services explained that a name will be added once the new Director of Corporate Services starts at the beginning of May.

Following consideration, the Committee unanimously resolved 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.**

55 AUDIT & SCRUTINY COMMITTEE ANNUAL REPORT 2024-2025

The Committee received a report presenting 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 covered 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.

The following matters were considered:

- Councillor Lawrence proposed an amendment to Appendix 1, by adding a new paragraph, 4.1 Conclusion, which states;

'4.1.1 The Audit and Scrutiny Committee has carried out limited scrutiny of the Council's performance during the past year but nevertheless wishes to record its thanks to all those who contributed to its work.'

The proposal was seconded by Councillor Ames.

The Committee agreed (6 for and the Chair not voting) the proposed amendment and its inclusion in the report.

- Councillor Ames proposed an amendment, that the first sentence of paragraph 3.3.7 of Appendix 1 is removed;

'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.'

The proposal was seconded by Councillor Lawrence.

The Committee voted (3 for, 5 against) against the motion and the motion was lost.

Following consideration, the Committee unanimously resolved to:

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

56 PERFORMANCE AND RISK REPORT – MARCH 2025

The appendix to the 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) **Responses to questions.** A Member of the Committee expressed their thanks to the Officers who had provided responses to questions raised before, at, and following the February 2025 Audit & Scrutiny Meeting. The Member commented that it is a positive step to get those responses and also to have the responses published publicly on the website.

Following consideration, the Committee unanimously resolved to:

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

57 WORK PROGRAMME - MARCH 2025

The Committee received a report presenting the annual Work Programme.

The following matters were considered:

- a) **Work Programme Changes.** A Member of the Committee stated that the Committee had agreed the work programme in February for the March meeting, and this included the External Audit Report. The Member queried who decides what is removed from the work programme and on what basis was the decision made to remove that item from the work programme. The Chair responded to explain that the External Audit item was removed from the work programme, as it was initially only included in case the February External Audit Report did not manage to capture everything and get the accounts signed off, as that was all completed in February, the March item was no longer needed. The Chair pointed out that this can also be understood from footnote 6, in the report. The Member expressed their concern is surrounding the Chair or Officers removing items from the work programme after it has been agreed by the Committee. They did not want items that had been added by Committee Members to run the risk of being removed from the Agenda without the approval or knowledge of the Committee. The Chair invited the Member to propose that a report be added to the agenda for the July Committee Meeting, asking SLT to produce a report on the external audit management responses. The Chair stated that the Committee can then

decide whether they agree and if they do, the item can be added to the work programme.

- b) **March Agenda.** A Member of the Committee raised that they would like to know on who's authority was the External Audit Report removed from the March Agenda. The Member stated that do not believe the report should have been removed from the March Agenda. The Chair informed the Committee that the item was removed on their authority. The Chair explained that there was nothing to report regarding the External Audit and that is why the item was removed from the March Agenda. The Chair explained that a report from SLT regarding the external audit management responses, is a separate item to the External Audit Update which was listed for March. There was no further update to be provided from the External Auditors, as they managed to provide a full update to the February Committee.
- c) **External Audit Update.** A Member of the Committee asked for the evidential basis as to why an External Audit Update report could not be brought to the Committee. The Member explained that they are concerned that future reports could be struck off using the same mechanism the External Audit Update was removed from the work programme. The Director of Corporate Services (S151) explained that the External Audit Update listed for the March Agenda, was essentially a contingency, in case the accounts were finished too late for the February Committee Meeting. The accounts were finished for the February Committee; therefore, the External Audit was completed. That is the sole reason why there is no External Audit Update at the March Committee Meeting.
- d) **Management Responses.** The Director of Corporate Services (S151) acknowledged the error in asking the Committee to approve the management responses to the External Auditors, at the February Meeting, and explained they should have asked the Committee to note them. He informed the Committee that the Strategic Leadership Team do accept the recommendations of the External Auditors, and the comments from the Committee, and do intend to continue to deliver improvements in the areas identified. He also highlighted that the agreement of the management responses is between the Council's Strategic Leadership Team and the External Auditors, and the remit of the Committee, as per the Terms of Reference, is to monitor the implementation of management responses to these actions. He explained that if a report is added to the work programme regarding SLT's management responses, that report would enable the work of the Committee to monitor the implementation of management responses and actions. A Member of the Committee raised that their issue was not with whether the Committee were asked to approve or to note, but that the Committee express concerns with the content of the management responses. The Member explained that they are concerned regarding the performance and culture of the Council, and they felt that those concerns are valid, when considering the responses provided by the Council's Strategic Leadership Team to the External Auditors' recommendations and findings. The Member raised that they

would like the Council's Chief Executive to attend the July Committee Meeting to speak to a report on SLT's management responses.

- e) **Committee Reports.** A Member of the Committee expressed their discontent with previous reports that had been added to the work programme being presented later than originally planned and scheduled and stated that there is no point in the Committee existing if the only reason a discussion can take place, is if an Officer can write a report in time. The Chair noted the comments and agreed to work with Officers to try and make the process as open and transparent as possible.

- Councillor Lawrence proposed an amendment to the work programme, in the addition of a new agenda item to the July 2025 Committee Meeting, and to also request the attendance of the Chief Executive to speak to the new agenda item;

'To request a report from SLT explaining management responses to External Auditors as reported to the Committee in February 2025 and the attendance of the Chief Executive to discuss management responses and actions, as per Annex 4.6 paragraph 12.'

The proposal was seconded by Councillor Williamson.

The Committee agreed (5 for, 1 against, and the Chair not voting) the proposed amendment and the work programme will be updated to reflect the addition.

The Chair explained that the Chief Executive's availability will be checked, but they could not foresee an issue in them attending the July Committee Meeting.

- f) **Invited to share questions.** The Director of Corporate Services invited Committee Members to provide specific questions as soon as possible, to ensure the report that will be brought to the July Committee answers the questions that Members have. These comments were echoed by the Deputy Monitoring Officer and the Chair.

- The Chair proposed that he would meet with Councillor Lawrence, and Officers to discuss and flesh out the purpose and scope of the report and then share the result with the Committee to get their comments and thoughts, and then formally submit the report request.

The proposal was seconded by Councillor Williamson.

The Committee unanimously agreed the proposal.

Following consideration, the Committee resolved to (6 for, 1 against):

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

58 INTERNAL AUDIT PLAN 2025/26 AND INTERNAL AUDIT CHARTER

The Committee received a report providing the Internal Audit Charter 2025/26 and the Internal Audit Plan for 2025/26 (Q1/2).

The following matters were considered:

- a) **Internal Auditors.** A Member of the Committee made a comment that the Council's Internal Auditors were not employees of the Council and were therefore more akin to External Auditors. The Member also stated that they did not believe the Internal or External Auditors offer good value for money. The Chair noted the comments. The Director of Corporate Services (S151) pointed out that whether the Chief Internal Auditor was an employee of this Council or not, they would report to the S151 Officer in the same way that occurs currently. The Director of Corporate Services (S151) took issue with the Member's assessment that SIAP do not provide good value for money and stated that the experience that the Internal Auditors bring is far beyond what we would be able to afford internally, in terms of the range of personnel and experience they provide. The Chief Internal Auditor informed the Committee that the Internal Audit function continues to remain independent, as it would if it was in house or external.
- b) **Internal Audit Plan.** A Member of the Committee raised that they are concerned about the use of waivers and would like to see an internal audit plan item around the use of waivers. The Chair noted the comments and stated that it could be considered in discussions with the Internal Auditors and SLT.
- c) **High Risk.** The Vice Chair asked the Internal Auditor if Members should be concerned that all the risk assessments on page 193 are listed as high. The Chief Internal Auditor explained that the internal audit risk assessment is the internal auditors' view on the priority being put on those reviews. She explained that the fact that this is the first six months of the plan, only high or medium priority areas would be considered. The Internal Auditors would not look at the low priority areas because resource is limited. They are not labelled as high because there's an area of concern, but because of their priority rating.

Following consideration, the Committee unanimously resolved 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.**

59 POINT OF ORDER

Councillor Ames raised a Point of Order regarding the use of 'Part II' being used instead of Restricted or Exempt.

Councillor Ames stated that there is no such thing as 'Part II' and implored Members and Officers to stop using the phrase.

Councillor Ames stated that the expression 'Part II' has no legal basis, and this has been confirmed via their correspondence with the Council's Monitoring Officer.

The Chair noted the comments and agreed to refer to the relevant items as exempt papers, and not Part II items.

60 INTERNAL AUDIT PROGRESS REPORT

The Committee received a report providing an overview of internal audit activity against the assurance work completed in accordance with the approved audit plan (2024-25) and the outstanding management actions.

The following matters were considered:

- a) **Planning enforcement.** A Member of the Committee asked if the Planning Enforcement Audit will be coming in Quarter 4. The Internal Audit Manager confirmed that the fieldwork is under way for the Planning Enforcement review and SIAP are confident that it will be completed in time to report back to the Committee in July.

Following consideration, the Committee unanimously resolved to:

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

61 PERSONAL STATEMENT

Councillor Ames made a personal statement to the Committee.

Councillor Ames apologised to the Chair, if the Chair found his behaviour unacceptable at any point throughout the meeting.

Councillor Ames thanked the Chair for drawing his attention to 15.4 of the Appendix 5 of the Council's Constitution. Councillor Ames stated that he does not believe the Leader of the Residents' Association had the right to substitute a Committee Member who is no longer a member of their political group.

The Chair noted the comments.

The meeting began at 7.30 pm and ended at 9.08 pm

COUNCILLOR STEVEN MCCORMICK (CHAIR)

OMBUDSMAN ANNUAL REPORT 2024-25

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

Summary

This report provides the annual review of complaints received and decisions made by the Local Government and Social Care Ombudsman (LGO) between April 2024- and March 2025 inclusive.

Recommendation (s)

The Committee is asked to:

- (1) Receive and note the Local Government and Social Care Ombudsman Annual Review Letter 2024-25.**

1 Reason for Recommendation

- 1.1 To bring to the attention of the Committee the Annual Review of Complaints by the Local Government and Social Care Ombudsman (LGO), regarding complaints it has considered against the Council.

2 Background

- 2.1 The LGO produces an Annual Review Letter for all local authorities detailing the number and type of complaints received and decisions made relating to each authority. The annual review letter for the period from 1 April 2024 to 31 March 2025 relating to Epsom and Ewell Borough Council is attached to this report as Appendix 1.

3 Annual Review Letter 2024-2025

- 3.1 The Annual Review Letter sets out that for the year ending 31st March 2024 the LGO received a total of 15 complaints relating to Epsom and Ewell Borough Council, a reduction from 24 complains received in the previous year.

- 3.2 Upon assessment of the 15 complaints received by the LGO in 2024-25, it was found that 7 of the complaints were not suitable for the consideration by the LGO. These include complaints brought to the Ombudsman before the council was given a chance to consider the complaint, or complaints where an alternative governing body has authority to consider the complaint (e.g. the Planning Inspectorate or the Information Commissioner's Office).
- 3.3 A further 6 complaints were closed after assessments. Reasons for this could be that the law says the LGO are not allowed to investigate, or it would be a poor use of public funds if they did. This left 2 complaints that were investigated.
- 3.4 Of the 2 complaints that were investigated, neither of them were upheld, although the council did agree to take forward one recommendation. Details of these complaints have previously been reported to this committee.
- 3.5 Further details of all complaints received by the LGO can be found on their website (<https://www.lgo.org.uk/your-councils-performance/epsom-ewell-borough-council/statistics/>)
- 3.6 A comparison with previous years can be found below:

EEBC	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Number of complaints received by the Ombudsman	23	27	17	11	17	24	15
Number of complaints upheld	2	0	3	2	2	2	0

- 3.7 The data including complaints received and upheld by the LGO reflects the positive work that has been done to improve internal complaint handling at both stage 1 and stage 2.
- 3.8 The low number of complaints received by the LGO (15) and subsequent investigations (2) compared with the total number of stage 2 complaints (81) responded to by the council in the same period, suggests that complainants are generally satisfied with the council's investigation and response to complaints.
- 3.9 The council's figures for 2024-25 are comparable to other Surrey authorities as outlines in the table below:

Authority	Complaints received by LGO	Investigations	Complaints Upheld
Elmbridge	22	3	2
Epsom & Ewell	15	2	0
Guildford	22	2	1
Reigate & Banstead	10	0	0
Runnymede	9	2	2
Spelthorne	11	0	0
Surrey Heath	12	2	2
Tandridge	13	1	0
Waverley	17	4	3
Woking	16	5	3

4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

4.1.1 There are no equalities issues arising from the contents of this report.

4.2 Crime & Disorder

4.2.1 None.

4.3 Safeguarding

4.3.1 None.

4.4 Dependencies

4.4.1 None.

4.5 Other

4.5.1 None.

5 Financial Implications

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

6 Legal Implications

- 6.1 The council is obliged to respond to complaints of maladministration through the Ombudsman. The Local Government Act 1974 prescribes the way in which the Ombudsman conducts investigations.
- 6.2 **Legal Officer's comments:** None for the purposes of this report.
- 6.3 Policies, Plans & Partnerships
- 6.4 **Council's Key Priorities:** The following Key Priorities are engaged:
- Effective Council
- 6.5 **Service Plans:** The matter is not included within the current Service Delivery Plan.
- 6.6 **Climate & Environmental Impact of recommendations:**
- 6.6.1 None.
- 6.7 **Sustainability Policy & Community Safety Implications:**
- 6.7.1 None.
- 6.8 **Partnerships:**
- 6.8.1 None.
- 6.9 **Local Government Reorganisation Implications:**
- 6.9.1 None.

7 Background papers

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

Previous reports:

- Ombudsman Annual Report 2023/24

Other papers:

- Local Government and Social Care Ombudsman Website, your Council's performance: [Your council's performance](#)

21 May 2025

By email

Ms King
Chief Executive
Epsom & Ewell Borough Council

Dear Ms King

Annual Review letter 2024-25

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2025. The information offers valuable insight about your organisation's approach to complaints, and I know you will consider it as part of your corporate governance processes. We have listened to your feedback, and I am pleased to be able to share your annual statistics earlier in the year to better fit with local reporting cycles. I hope this proves helpful to you.

[Your annual statistics are available here.](#)

In addition, you can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

In a change to our approach, we will write to organisations in July where there is exceptional practice or where we have concerns about an organisation's complaint handling. Not all organisations will get a letter. If you do receive a letter it will be sent in advance of its publication on our website on 16 July 2025, alongside our annual Review of Local Government Complaints.

Supporting complaint and service improvement

In February we published [good practice guides](#) to support councils to adopt our [Complaint Handling Code](#). The guides were developed in consultation with councils that have been piloting the Code and are based on the real-life, front-line experience of people handling complaints day-to-day, including their experience of reporting to senior leaders and elected members. The guides were issued alongside free [training resources](#) organisations can use to make sure front-line staff understand what to do when someone raises a complaint. We will be applying the Code in our casework from April 2026 and we know a large number of councils have already adopted it into their local policies with positive results.

This year we relaunched our popular [complaint handling training](#) programme. The training is now more interactive than ever, providing delegates with an opportunity to consider a complaint from receipt to resolution. Early feedback has been extremely positive with delegates reporting an increase in confidence in handling complaints after completing the training. To find out more contact training@lgo.org.uk.

Yours sincerely,



Amerdeep Somal
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

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USE OF URGENT DECISIONS ANNUAL REPORT

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Corporate Governance & Strategy Manager
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 - Summary of Urgent Decisions made in consultation with committee Chairs

Summary

In accordance with the Council's Scheme of Delegation to officers, this report sets out urgent decisions taken by officers in consultation with committee Chairs for the period 3 June 2024 to 3 June 2025.

Recommendation (s)

The Committee is asked to:

- (1) **Note the urgent decisions taken by officers, in consultation with relevant committee Chairs, recorded using urgent decision forms from 3 June 2024 to 3 June 2025**

1 Reason for Recommendation

- 1.1 The Scheme of Delegation, Appendix 2 of the [Constitution](#), requires a report to be presented annually to the Audit and Scrutiny Committee setting out urgent decisions taken under delegated powers.

2 Background

- 2.1 The Scheme of Delegation was drawn up on the principle that Committees and officers are authorised to do all things that are necessary to run their services and to implement council policies, provided their actions are taken within budget and in compliance with the council's standing orders. The powers that are delegated to committees are set out in each committees' Terms of Reference.

- 2.2 Urgent decisions in the context of this report, are those decisions taken by the Chief Executive or one of the Directors, in consultation with the relevant committee Chair on a matter that would ordinarily have been considered at committee, but which for reason of urgency, has to be taken outside of the normal committee cycle. The decisions are recorded using a decision form, which sets out the rationale for the decisions, much the same as a committee report. Councillors are notified of any decisions taken via this process through Members News, and the decisions are then reported to the next scheduled meeting of the relevant committee.
- 2.3 Appendix 1 provides a record of decisions taken under delegated powers from 3 June 2024 to 3 June 2025. A total of 22 decisions were taken during the period. This does not include the forms which were cancelled or duplicates.

3 Risk Assessment

Legal or other duties

- 3.1 Equality Impact Assessment
 - 3.1.1 No direct implications from this report.
- 3.2 Crime & Disorder
 - 3.2.1 No direct implications from this report.
- 3.3 Safeguarding
 - 3.3.1 No direct implications from this report.
- 3.4 Dependencies
 - 3.4.1 None.
- 3.5 Other
 - 3.5.1 None.

4 Financial Implications

- 4.1 As set out in individual decision forms and signed off by the Chief Finance Officer.
- 4.2 **Section 151 Officer's comments:** No direct financial impact arises from this report.

5 Legal Implications

5.1 The Chief Executive, Directors and Heads of Service can take all operational decisions within agreed policies in relation to the services for which they are responsible. The current process for reporting urgent decisions is this report, which is brought to Audit & Scrutiny Committee annually, and in addition, each decision is published in "MembersNews" for councillors to review

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

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** N/A

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

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

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

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

6.6 **Local Government Reorganisation Implications:** No direct implications from this report.

7 Background papers

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

Previous reports:

- Epsom & Ewell Borough Council (2024) *Use of Delegated Powers Annual Report*, Audit & Scrutiny Committee, 25 July 2024. Online available: [Epsom and Ewell Democracy](#) [last accessed 04/06/2025].

Other papers:

- None.

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Urgent Decisions Summary Document

Officer Title	Responsible Committee	Form No.	Date Issued / Signed by CEX	Subject	Date Reported in Members' News	Reason for Use of Urgent Decision Form	Financial Implications	Source of Funding
Head of Housing & Community	S&R	131	21/06/2024	Property purchase	09/07/2024	Urgent decision required as the offer price could not wait until the next committee.	Exempt paper	Exempt paper
Head of Operational Services	E	132	17/07/2024	Tennis court booking	22/07/2024	Amend the tennis court booking scheme over the school holidays at councillors' request. The next environment committee was not scheduled until after the proposed scheme expires.	Temporary reduced income from tennis courts (not quantified)	Environment Committee budget
Housing Solutions Manager	S&R	133	31/07/2024	Housing Private Sector Lease Scheme	01/08/2024	There was insufficient time to schedule an extraordinary meeting of S&R Committee to authorise the signing of housing leases, which would ensure homeless households were appropriately accommodated and would also avoid additional costs to the council.	Approx. cost avoidance of £24,653 per annum.	N/A
Housing Options Team Leader	C&W	134	21/08/2024	Authorise a neighbouring authority to conduct a fresh statutory Housing Act 1996 s202 Decision on behalf of Epsom & Ewell Council.	22/08/2024	Decision required within a set time period which was before the next committee meeting.	N/A	N/A
Head of Housing & Community	S&R	135	05/09/2024	Housing Private Sector Lease Scheme	06/09/2024	New and extension to leases were time sensitive and required a decision before the next committee meeting.	Cost avoidance to the council, not quantified due to commercial sensitivity.	N/A
Head of Legal Services & Monitoring Officer	Nonsuch Park Joint Management Committee	136	21/08/2024	Unlawful Encampment at Nonsuch Park	21/08/2024	Decision required within 24 hours.	None, as any costs are recharged to the Committee.	N/A
Parking & Enforcement Manager	E	137	29/08/2024	Temporary Relocation of Business Parking Permits	10/09/2024	Decision needed promptly and before the next committee meeting.	Exempt paper	Exempt paper
CFO & S151 Officer	S&R	138	09/09/2024	Submission of DCN support to HM Treasury ahead of national budget on 30 October	10/09/2024	Response deadline did not align with committee meeting dates.	N/A	N/A

Planning Policy Manager	LPP	139	26/09/2024	Response to the London Borough of Suttons Regulation 18 Draft Local Plan Options Consultation	26/09/2024	Response deadline did not align with committee meeting dates.	N/A	N/A
N/A	N/A	140	N/A	N/A - Form cancelled	N/A	N/A - Form cancelled.	N/A	N/A
Head of People & OD	Council	141	26/09/2024	Appointment of Interim Chief Finance Officer (S151)	27/09/2024	Statutory appointment required to start on a specific date, i.e. immediately after the existing S151 left their post.	N/A	N/A
Head of People & OD	S&R	142	26/09/2024	The provision of HR Information Systems - Itrent	27/09/2024	Due to time constraints and the value of the contract the only way to ensure the Council did not suffer adverse impacts is if an Urgent Decision was obtained to provide authority for the Council to enter into Contract with iTrent. The decision was required prior to the next scheduled committee meeting.	£298,655	Strategy & Resources Committee existing budget
Parking & Enforcement Manager	E	143	07/10/2024	Playhouse Production Parking	07/10/2024	Provide concessionary parking to a Playhouse production team, which was required before the next committee meeting.	No material implications.	N/A
Parking & Enforcement Manager	E	144	22/10/2024	Playhouse Production Parking	22/10/2024	Provide concessionary parking to a Playhouse production team, which was required before the next committee meeting.	No material implications.	N/A
Parking & Enforcement Manager	E	145	14/11/2024	Playhouse Cast & Production Parking	09/12/2024	Provide concessionary parking to a Playhouse cast and production team, which was required before the next committee meeting.	No material implications.	N/A
Head of Housing & Community	S&R	146	21/11/2024	Household Support Fund 6 (HSF6)	13/12/2024	The next scheduled committee meeting was considered to be too late to ensure distribution and complete spend of funds. This decision enabled the distribution of funds in a timely manner to minimise the risk of underspend and the need to return funds.	N/A	N/A

Head of Place Development	LPP	147	13/12/2024	Epsom & Ewell Borough Council Local Development Scheme	13/12/2024	Required a decision to be taken in advance of the next available LPPC meeting to ensure the Local Plan was prepared in conformity with the Local Development Scheme, given the publication of the revised NPPF and the need to start the Regulation 19 consultation earlier than originally scheduled.	N/A	N/A
Head of Place Development	Council	148	26/02/2025	Update to Terms of Reference for Strategy and Resources and Licensing and Planning Policy committees	27/02/2025	To facilitate the CIL spending application process to reopen on time it was proposed to switch responsibility for CIL spending decisions to Strategy and Resources from Licensing and Planning Policy. Taking this change to the next meeting of Full Council would not have given sufficient time for the committees to approve the CIL spending protocol and CIL spend decision process respectively before applications are required.	N/A	N/A
Strategic Housing Manager	C&W	149	10/03/2025	Homelessness Prevention Grant (HPG) consultation	10/03/2025	The consultation response deadline was before the next scheduled meeting of the committee.	N/A	N/A
Building Services and Facilities Manager	S&R	150	11/03/2025	Electricity Contracts from 1 April 2025 to 31 March 2027	12/03/2025	Electricity prices are only valid on the day they are received, and hence cannot be scheduled onto a committee meeting agenda in time.	£740,408	Existing committee budget.
Head of Legal Services & Monitoring Officer	Council	151	25/03/2025	Reschedule the ordinary meeting of Full Council	25/03/2025	To enable consideration of matters that would otherwise require additional Extraordinary meetings of Full Council (e.g. LGR submission and constitutional amendments).	N/A	N/A
Head of People & OD	Council	152	28/03/2025	Pay Policy Statement 2025/26	28/03/2025	There is a legislative requirement that the statement was approved and published by a specific date which was before the next Full Council meeting.	N/A	N/A
N/A	N/A	153	N/A	N/A - Form cancelled	N/A	N/A - Form cancelled.	N/A	N/A
Head of Housing & Community	C&W	154	16/04/2025	Postponement of a committee decision relating to a local voluntary organisation	15/05/2025	To enable officers to review a committee decision promptly, which would minimise unnecessary hardship and uncertainty to a local voluntary organisation.	No material implications.	N/A

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PERFORMANCE AND RISK REPORT: 2024-25 END OF YEAR REPORT

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author:	Corporate Governance & Strategy Manager
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 – Corporate Performance Report – 2024-25 End of Year Report

Summary

This report provides an update of the council's end of year corporate performance with respect to its 2024-2025 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 corporate performance report (Appendix 1), including those targets which have not been achieved.**

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.

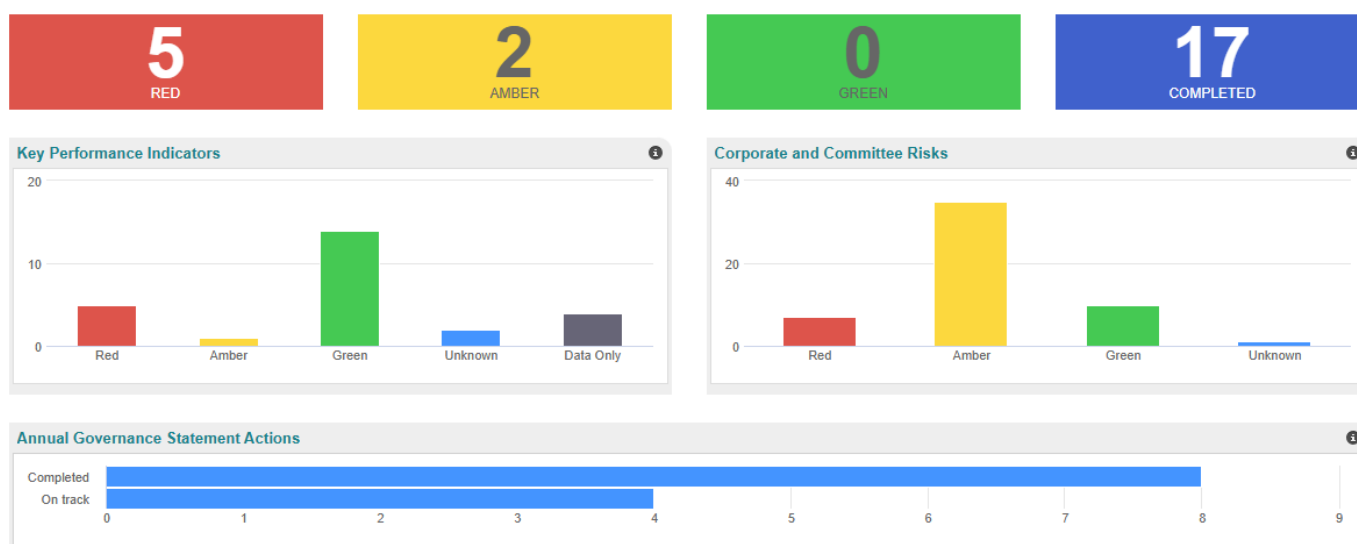
2 Background

- 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 were produced.

3 April 2024 – March 2025: Quarter 4 and End of Year Position

- 3.1 So far, the committee has received three interim corporate performance reports for 2024/25. **Appendix 1** provides the end of year update on the annual plan objectives, the key performance indicators, the corporate risk register, the policy committee risk registers, and the annual government statement actions.
- 3.2 For the coming year the newly agreed Strategic Priorities and related actions, risks and KPIs will be incorporated into this report.
- 3.3 The table below presents the summary dashboard (as at 4th June 2025) 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

Annual Plan Actions:

End of year ratings:

Red: Behind schedule, more than 3 months or action not completed (abandoned). **Amber:** Behind schedule, up to 3 months. **Green:** on track. **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

Annual Governance Statement Actions:

Red: Significantly behind schedule, and high risk of missing the (revised) due date. **Amber:** Approaching the (revised) due date but still some tasks outstanding. **Green:** On track. **Blue:** Completed.

***Note:** For KPIs the definition for Red 'significant' and Amber 'marginal' is set for each KPI individually.

3.4 Annual Plan Actions

Based on the above RAG rating criteria for actions, 17 out of a total of 24 annual plan actions were completed (71%), 2 actions slipped (8%) and 5 actions marked as off track (21%).

3.4.1 The five actions which are RAG rated as 'Red' are:

- AP24/5.3 - the updated ICT strategy was approved by the Strategy and Resources Committee on 28 January 2025. The uncertainty of Local Government Reorganisation (LGR) and cancellation of the move to East Street have had a direct effect on the strategy, whereby several key elements require full revision. This has impacted on the in-year objectives, now showing completion around 60%.
- AP24/5.5 - relates to the proposals for future of Town Hall site, which has been affected/delayed by the Local Government Reorganisation (LGR). The target date for completion was 31 December 2024.
- AP24/5.14 - regards the revised Health and Wellbeing Strategy, which will be considered by the Community and Wellbeing Committee on 9 July 2025 following a public consultation. The target date of completion is 31 March 2025.
- AP24/5.17 - concerns the implementation of a programme of 'modular homes'. Due to the withdrawal of funding, only one site (Fairview Road) is being progressed for this purpose. This has been delayed due to an issue of access rights. The anticipated completion date will be between January 2026 and March 2026. The original target date of completion is 31 July 2024.
- AP24/5.23 – the Community Safety Plan was adopted in January 2024 for two years ending in December 2025. Around 60% of the plan objectives were delivered in March 2025 and with 100% delivery expected at the end of December 2025

3.4.2 There are two actions which had been RAG rated as 'Amber' based on their expected completion of 31st March 2025:

- AP/24/5.6 - review and update the Procurement Strategy, CSOs and associated documents. One element of this action has slipped, the approval of an updated Procurement Strategy, due to the Government's delayed implementation of the Procurement Act 2023. The Strategy will come to Strategy and Resources Committee in July 2025.

- AP24/5.15 – the in-year objectives of the Homelessness and Rough Sleeper Strategy are almost complete, but have slipped past the end of March 2025 completion date.

3.5 Key Performance Indicators (KPIs)

At the end of 2024/25, five KPIs (including 'Forecast Outturn v Budget') were assessed as Red (off target – significant). This compares with just one Red KPI at the end of the previous year. Of these five Red KPIs, one (Long term sickness absence) has been added to the report since last year, another 'Number of households living in nightly paid accommodation' was also Red at the end of 2023/24. The 16 KPIs that were Green (on target) at the end of 2024/25 include 'Staff turnover' which is the other KPI added since the end of last year.

Performance against KPIs is best viewed in the context of the trend for each KPI through the year, and the commentary alongside the charts shown in the report.

3.6 Corporate Risk Registers

At the end of 2024/25, there were 2 Red, 9 Amber and 1 Green Corporate Risks. All of these risks showed the same 'score' as at the end of last year except for 3 of the Amber Risks, which showed a reduced 'score' although remain Amber. Two new risks were added to the register both of which are Amber.

3.7 Committee Risk Registers

The total number of Committee Risks fell between Q4 of 2023/24 to Q4 of 2024/25 from 43 to 40, which included 6 retired risks. Overall, the Committee Risk Registers have shown a fall in the number of Red (seven in 2023/24 to five in 2024/25), and Amber (32 to 25) risks. At the same time, the number of Green risks rose from 4 to 9. Movement between each of the RAG categories has of course varied for each committee.

While during the year many Corporate and Committee risks have remained 'stable', i.e. showing no change in their RAG status, Members may wish to consider these assessments ahead of the coming year.

3.8 Annual Governance Statement (AGS) Actions

The RAG rating of the AGS actions is based on the revised 'Due Date', which may have changed from the 'Original Due Date', see Appendix 1. 8 out of the total 12 actions are marked as complete ('Blue'), with 4 actions on track ('Green') to meet their revised due date. These actions will be carried forward to 2025/26 for continuous monitoring until completion.

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 risks are included in Appendix 1.

5 Financial Implications

5.1 No direct financial implications for the purposes of this report.

5.2 **Section 151 Officer's comments:** There is currently no direct financial impact from the outcome of this report. However, meeting Key Performance Indicators (KPIs) and monitoring risk is crucial for ensuring value for money in council services, benefiting both the council and residents of the borough. Ultimately, adhering to KPIs and managing risks fosters a culture of continuous improvement and ensures that the council's efforts are aligned with the needs and expectations of the residents.

6 Legal Implications

6.1 No legal implications for the purposes of this report.

6.2 **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: N/A

7.2 **Service Plans:** The matter is reflected in the 2024/25 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.
- 7.6 **Local Government Reorganisation (LGR) Implications:** Since LGR's announcement by the Government, it has impacted / delayed some of our actions as well as exposing the Council to emerging risks due to its uncertainty. Also as a result of LGR, the council has chosen to pursue a set number of strategic priorities for the next two years, rather than producing a new replacement long-term corporate plan.

8 Background papers

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

Previous reports:

- Epsom and Ewell Borough Council (2025) *Performance and Risk Report - March 2025*, Audit & Scrutiny Committee, 27 March 2025
Online available: [Epsom and Ewell Democracy](#) [Last accessed: 05/06/2025]

Other papers:

- 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: 20/05/2025]



Corporate Performance Report

Quarter 4 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	17
Off track	5
Slippage	2




Page 36	No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	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		Completed	This item has been completed. A balanced budget for the 2025/26 financial was agreed by Full Council in February 2025.	29-Apr-2025






No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	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		Completed	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		Off track	The updated ICT strategy was approved by the Strategy and Resources Committee on 28 January 2025. The uncertainty of Local Government Reorganisation (LGR) and cancellation of the move to East Street have had a direct effect on the strategy, whereby several key elements require full revision. This has impacted on the in-year objectives, now showing completion around 60%.	04-Jul-2025





No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	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		Completed	This item has been completed.	05-Jun-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		Off track	Off Track due to Local Government Reorganisation. The action has now been superseded by the council's new Strategic Priorities.	03-Jul-2025

No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	RAG Status	Commentary	Latest Update
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		Slippage	Amber: This action has been assigned an Amber end of year status. Its primary objective - the updating of the CSOs in light of the new Procurement Act 2023 (PA) - was achieved. The internal procurement templates have also been updated and are now reviewed and amended as BAU as the PA beds in. Procurement training was delivered to officers in March / April 2025. The updating of the Procurement Strategy is still in progress, and its intended to be submitted to Strategy & Resources Committee in July 2025 for approval. The ambition was for an updated Strategy to be approved before the end of March 2025, however with the government's delays to the implementation of the PA this was not possible, hence the amber action status.	03-Apr-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		Completed	This item has been completed. It was presented to Strategy & Resources Committee Chair / Vice Chair on 26 September 2024.	24-Jan-2025
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		Completed	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

No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	RAG Status	Commentary	Latest Update
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	●	Completed	This item has been completed. • 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	●	Completed	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.	• 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	●	Completed	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	●	Completed	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	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		Completed	<p>Works attributed to UKSPF 2024/25 allocation completed by March 2025.</p> <p>Projects delivered since January 2025 include:</p> <ul style="list-style-type: none"> • Creative Careers workshops x 2. Girl Guiding Epsom Division. Epsom and Ewell Employment Hub • Family creative sessions - partnership project with Epsom and Ewell Family Centres and Creative Minds • Creative Wellbeing sessions - partnership project with E&E Refugee Network and Creative Minds. Hosted at Epsom Playhouse • Delivery of interactive music sculptures - installation due April/May 2025 	22-Apr-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		Off track	The Health & Wellbeing Strategy has now been written and been to March 2025 Committee. It is now out for public consultation. This will close 16th May 2025, with the final iteration of the Strategy being taken back to the Community and Wellbeing Committee on 8 July 2025.	29-Apr-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		Slippage	The actions are almost complete. The last update was provided for the Community and Wellbeing Committee in March 2025.	29-May-2025

No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	RAG Status	Commentary	Latest Update
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		Completed	Completed: This action has been marked as complete. Although the project will continue into 2025/26, the aim of this action was to progress the project on schedule within 2024/25, which has been achieved. The corporate risk associated with this project will remain on the corporate risk register until the project has been completed.	03-Apr-2025
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		Off track	The original plan was for a programme of modular homes. As funding for this has been withdrawn, the only site for the programme is Fairview Road. This has been further delayed due to an issue relating to access rights, which is still with the Land Registry. Completion is anticipated to be between January and March 2026.	01-May-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		Completed	<p>This item has been completed.</p> <p>Initiatives have been presented and updates have been provided to the Community and Wellbeing Committee Chairs on a quarterly basis.</p>	29-Apr-2025
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		Completed	The in year objectives have been completed.	21-May-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		Completed	<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>	01-Apr-2025







No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	RAG Status	Commentary	Latest Update
AP24/5.21	Environment Committee; Operational Services	Monitor and respond to developments in Government Waste Strategy	• Briefings provided to Environment Committee on any forthcoming developments or opportunities.	31-Mar-2025		Completed	In line with the present government information this project is complete for this year. Officers will continue to monitor any updates coming from central government, and will continue to monitor the legislation that is expected to come as a result. Officers will also monitor the progress of the Council's appeal re. indicative EPR funding for 2025/26 and will advise should a response be forthcoming.	20-May-2025
AP24/5.22	Environment Committee; Operational Services	Develop cemetery lease renewals policy	• Draft policy submitted to the Strategic Leadership Team and • Agreed at Environment Committee by "Completion Date".	30-Nov-2024		Completed	This item has been completed. A report of the Grave Lease Extensions was approved by the Environment Committee on 21 January 2025.	24-Jan-2025
AP24/5.23	Crime & Disorder Committee; Housing and Communities Service	Adopt and deliver the Community Safety Action Plan	• In year objectives delivered.	31-Mar-2025		Off track	The Plan had been consulted and it was adopted in January 2024. It runs for 2 years. It is estimated that 60% of the Plan will be completed by March 2025 and 100% by end of 2025.	29-May-2025
AP24/5.24	Crime & Disorder Committee; Housing and Communities Service	Progress actions from the CSP review recommendations	• Outstanding objectives delivered or funding bids sought	31-Mar-2025		Completed	This action has been completed. 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.	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				

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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 6
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	✓

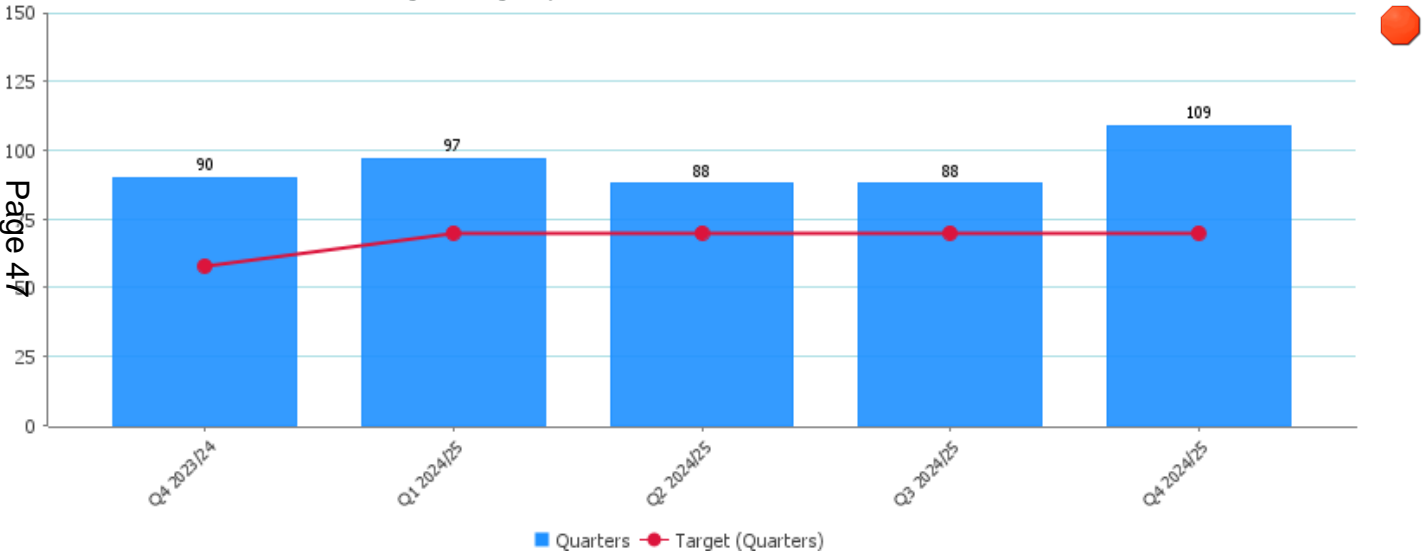
Key Performance Indicator	Status
Completion Rate for PRIORITY 1 Property Maintenance Works	

Corporate Key Performance Indicator Charts

Traffic Light	
Red	5
Amber	1
Green	16
Data Only	4

Community & Wellbeing Committee

Number of Households Living in Nightly Paid Accommodation

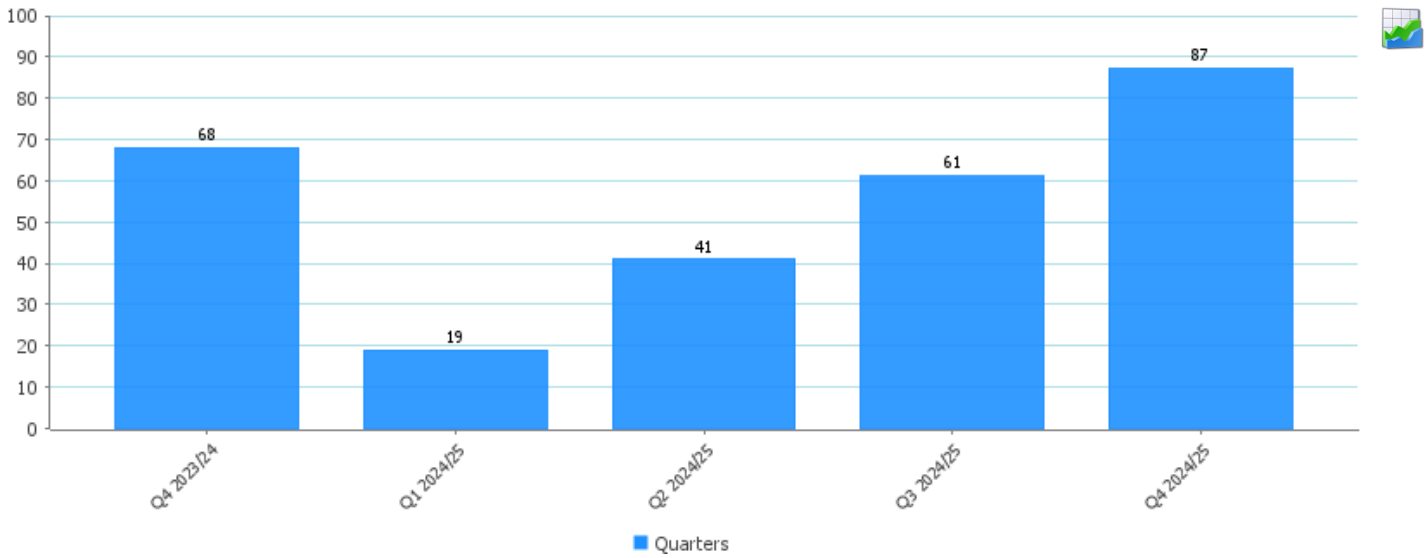


15-Apr-2025

Quarter 4 incorporates a higher level of single homeless households accommodated under SWEP than in previous years. 2024/25 also had lowest recorded number of permanent social housing nominations, with only 66 properties becoming available for let. Of which, only 24 were family sized properties. This then impacted on temporary accommodation vacancies.

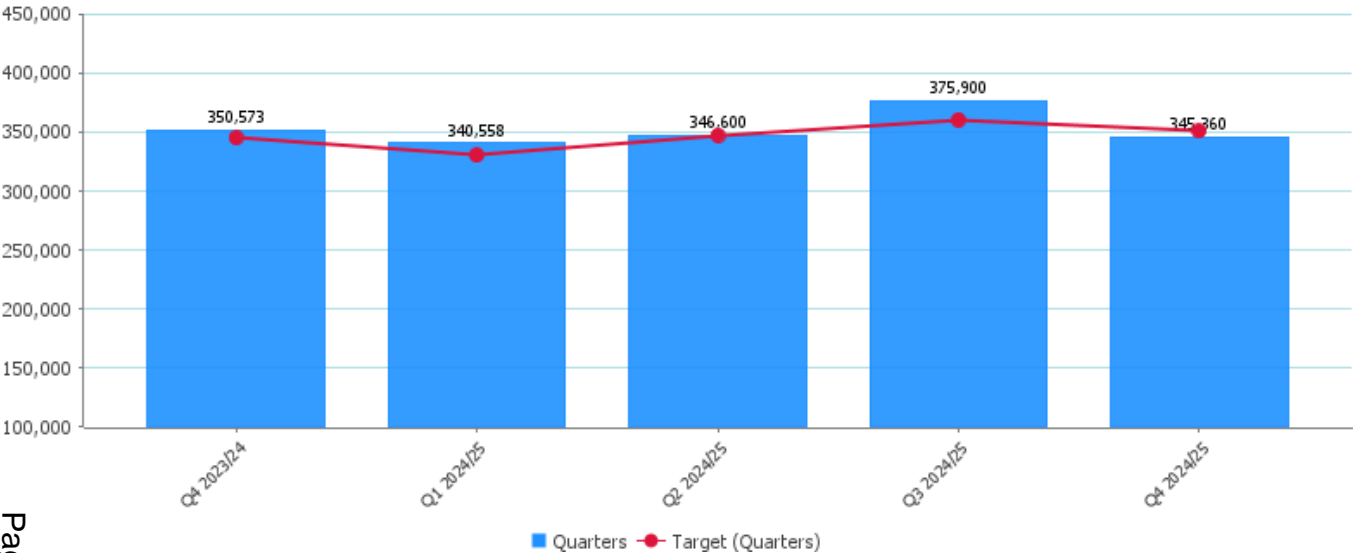
Number of Successful Preventions From Homelessness

15-Apr-2025



The steady rise in the number of successful homelessness preventions, is in the main the result of a successful recruitment of the Housing Options (Prevention) role.

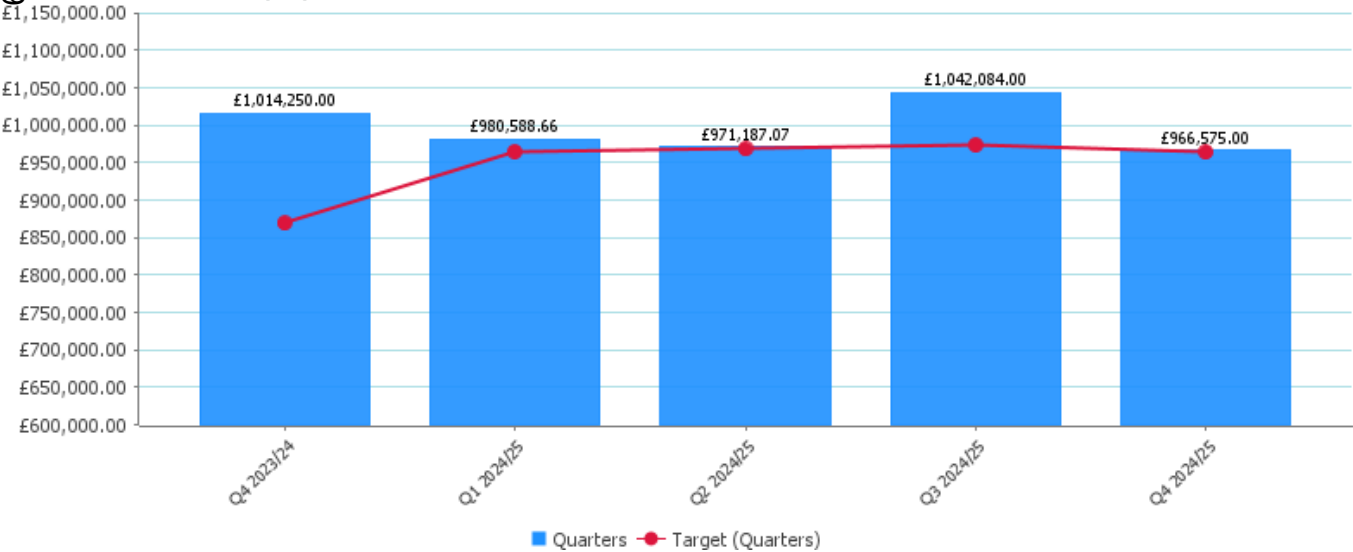
Car Park Visitor Numbers



29-Apr-2025

Jan 25 saw an increase in visitor numbers compared to last year, Feb 25 showed similar to 2024 but the March visitor numbers have declined to create the overall drop. There is no clear and obvious reason for this at present.

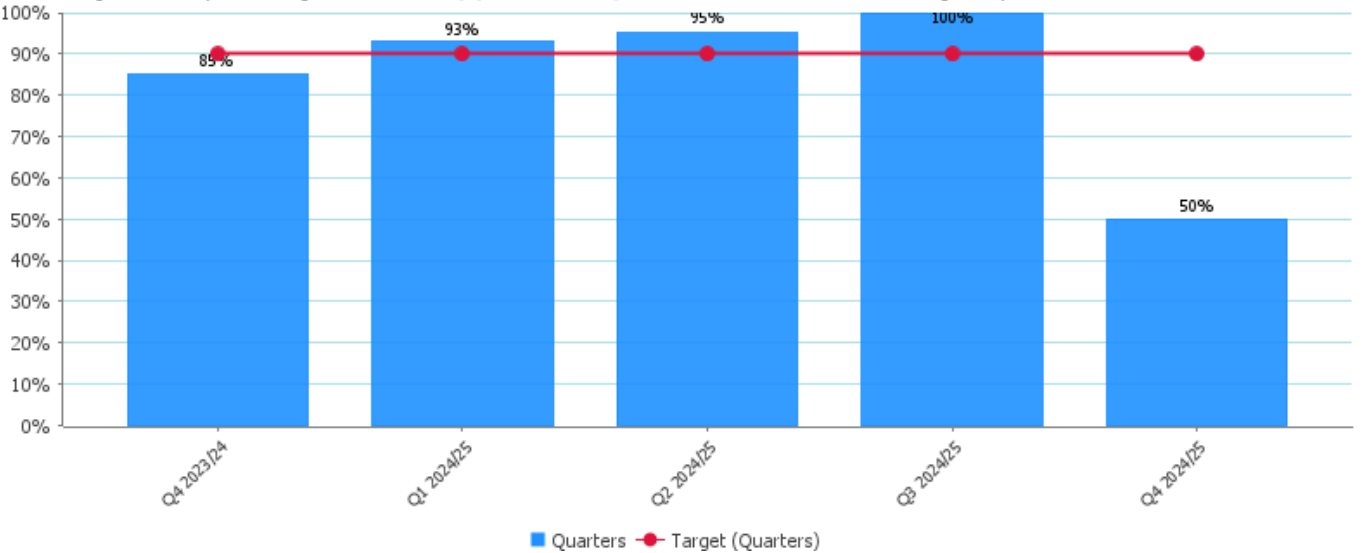
Car Park Revenue (£k)



29-Apr-2025

Despite the drop in overall visitor numbers the income from car park fees remained a surplus in Q4

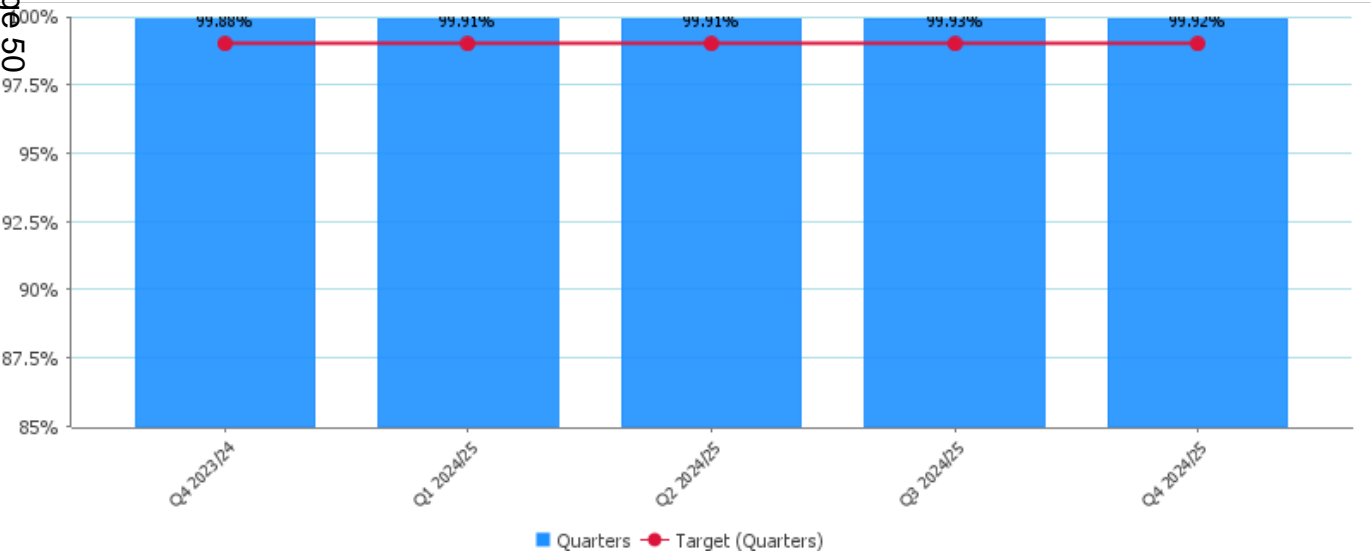
Parking Penalty Charge Notice Appeals Responded to in 10 Working Days



23-Apr-2025

We had a reduction in PCN appeals responded to in 10 working days due to printer upgrades and changes to the way documents are scanned and indexed meaning we were left unable to scan and index (and therefore process appeal responses) for 4 weeks. The backlog was cleared and all appeals were responded to within statutory timescales.

Waste Collected

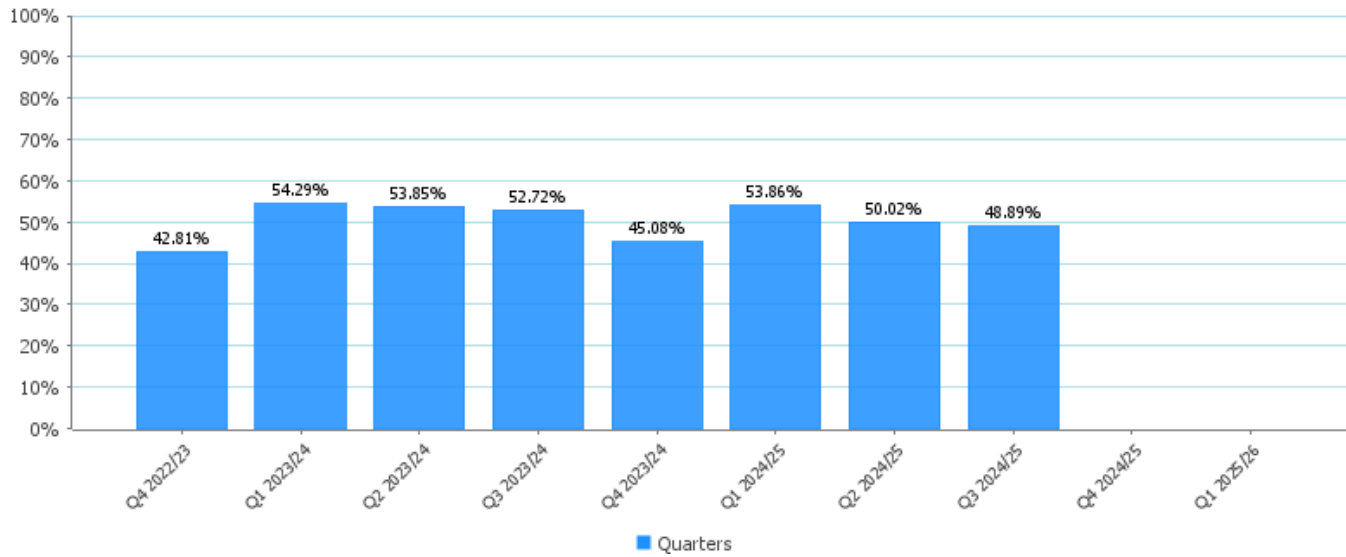


14-Apr-2025

Very strong Q4, even accounting for the increase in missed bin reports that we always see in January, prompted by the changed collection days over Christmas and New Year.

Waste Sent for Recycling

29-Apr-2025



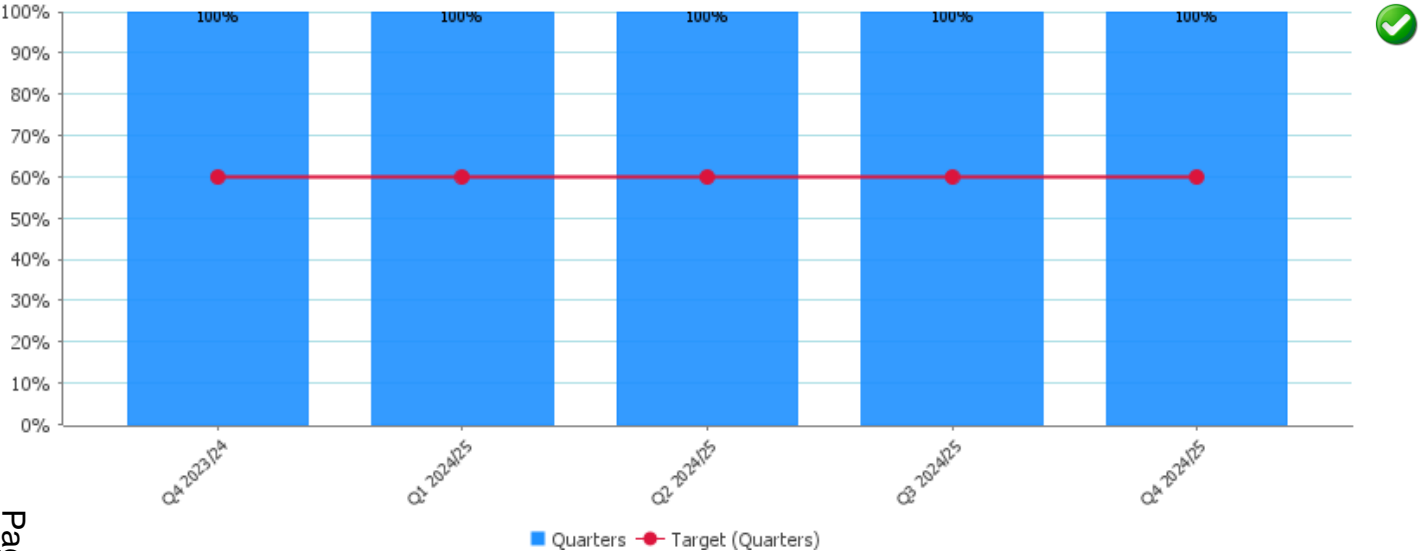
Q3 2024/25 was 1.32% lower than Q3 2023/24 due to:

- 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).

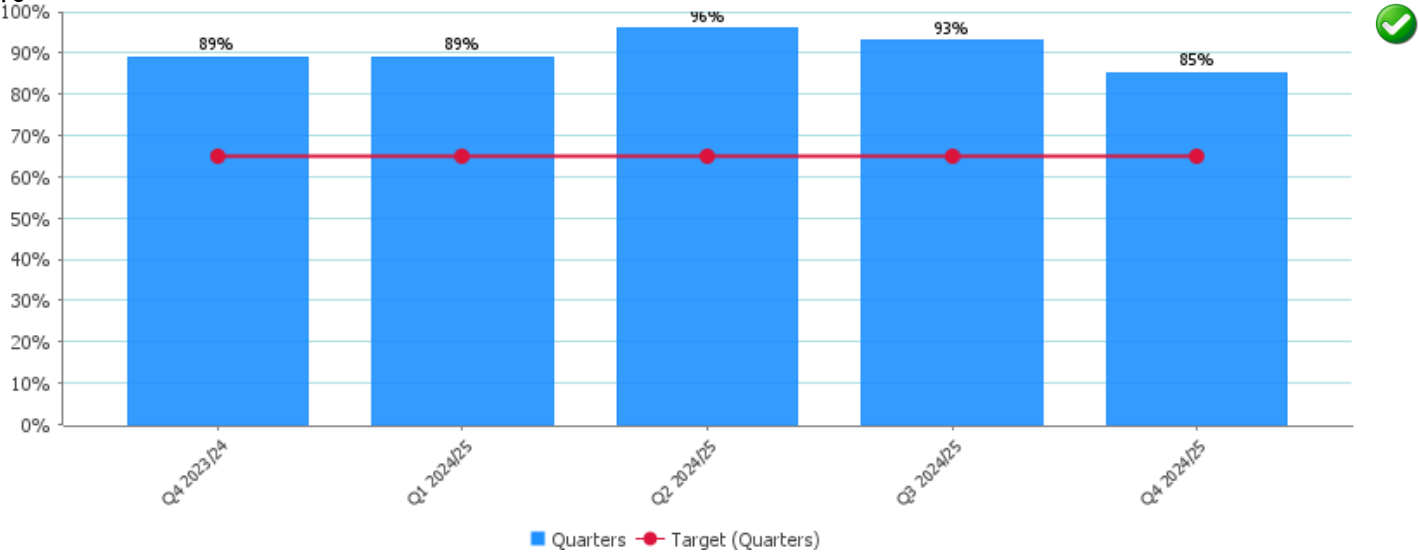
- We do not have a target for this indicator yet. However further investigation is underway, including how to reflect seasonal impacts. For information, the Surrey average is 51.8%.
- Q4 figures are not yet available due to usual time lag in receiving tonnage data from Surrey Environment Partnership's data system.
- *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



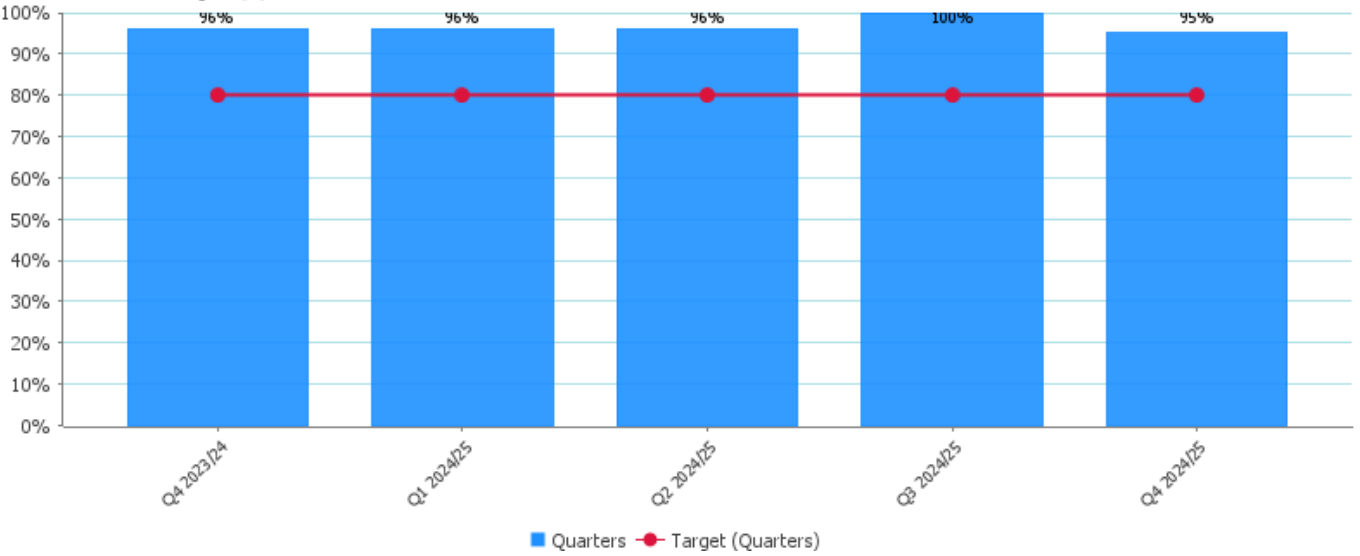
15-Apr-2025
Performance remains very strong following completion of improvement actions.

Minor Planning Applications Decided in Time



15-Apr-2025
Performance remains well above national performance target following completion of improvement actions.

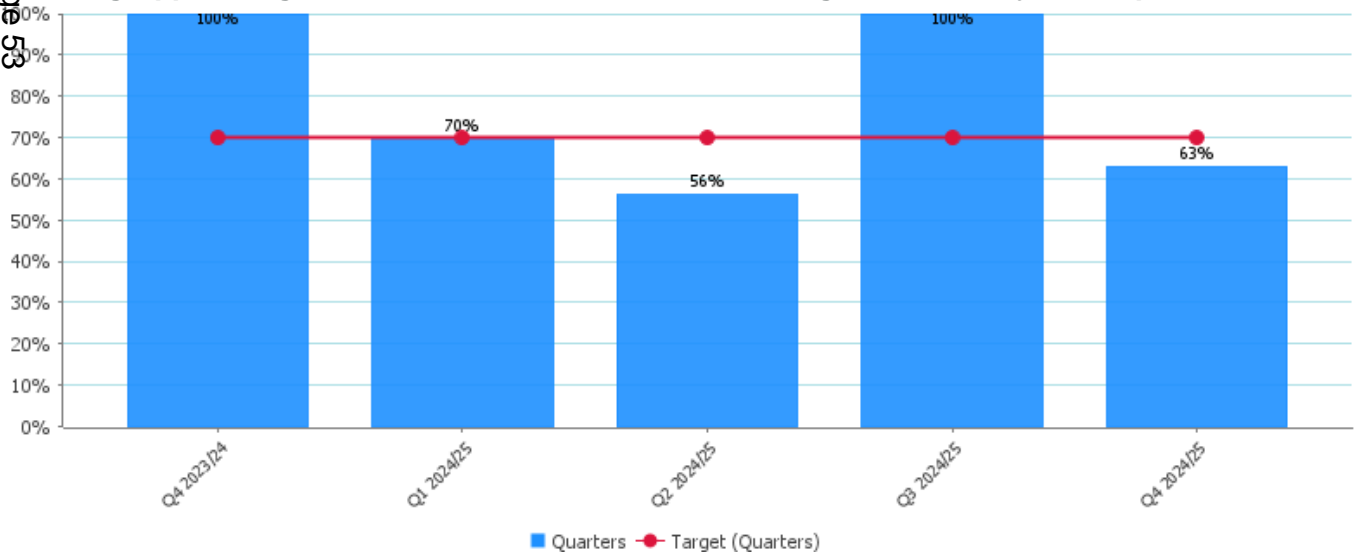
Other Planning Applications Decided in Time



15-Apr-2025

Performance remains very strong following completion of improvement actions.

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



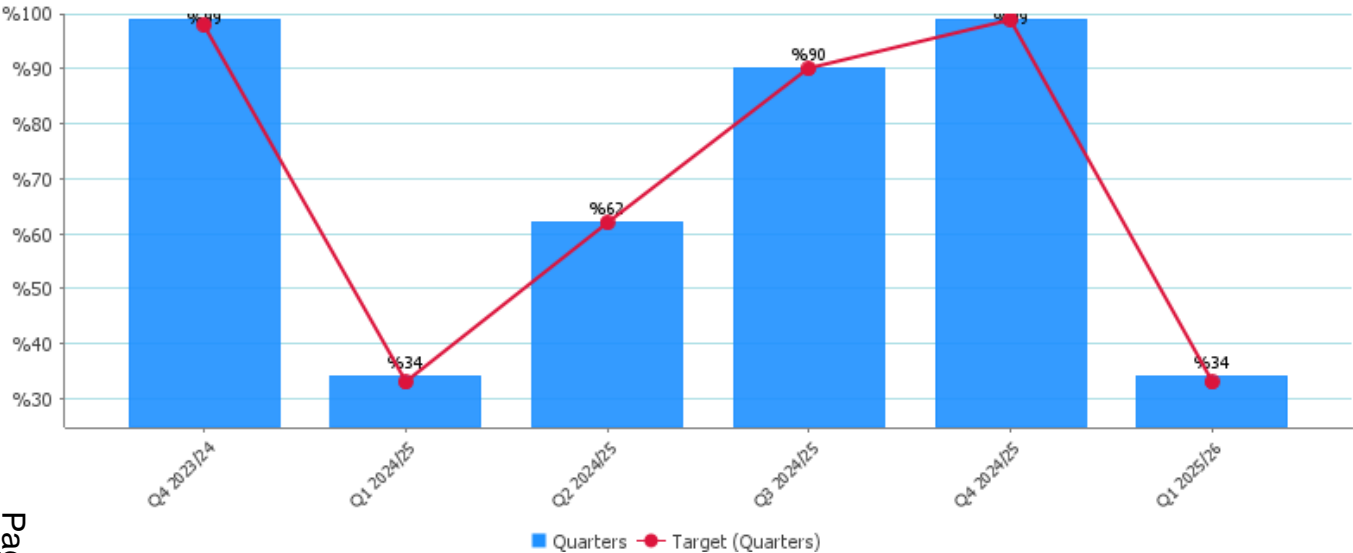
02-May-2025

Average appeal performance over a longer period remains steady, although the small number of appeals per Quarter means a small number of decisions can impact the overall percentage, which fluctuates quarter to quarter.

For this quarter 10 out of 16 appeals against the Council's decisions were dismissed. For the last quarter 12 out of 12 were dismissed. The number of refused applications subsequently allowed by the Planning Inspectorate is monitored by government and we are not currently at threat of designation on the basis of appeal performance.

Agenda Item 6
Appendix 1

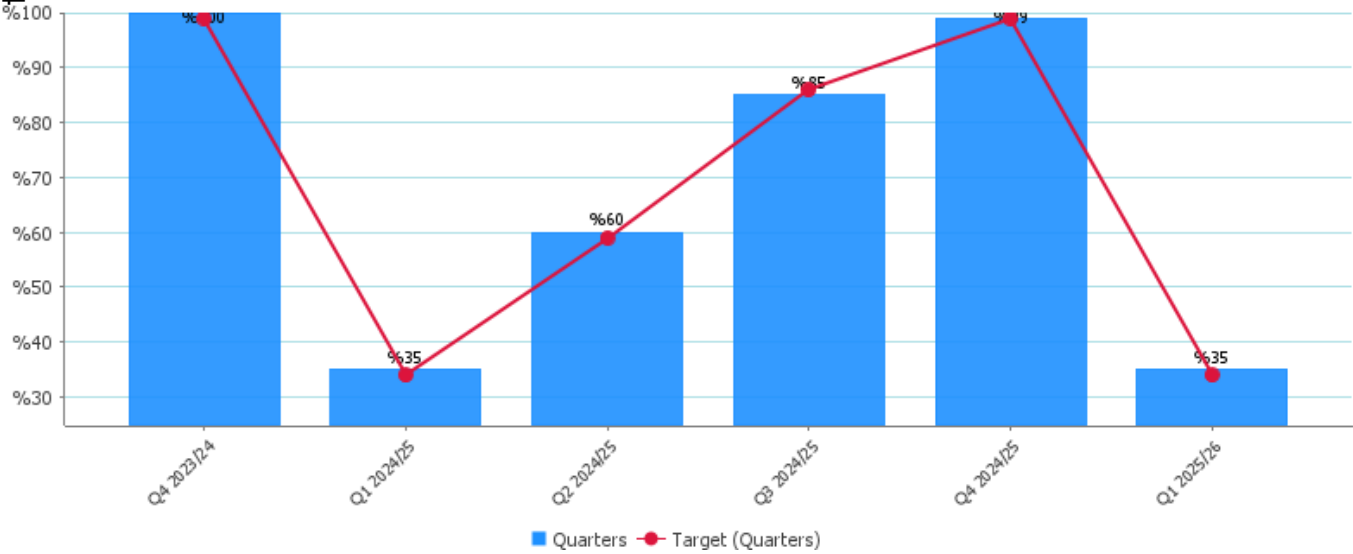
Council Tax Collected



04-Jul-2025

Achieved target for 2024/25, and Quarter 1 2025/26 collection is 1.30% higher than target figure of 33%.

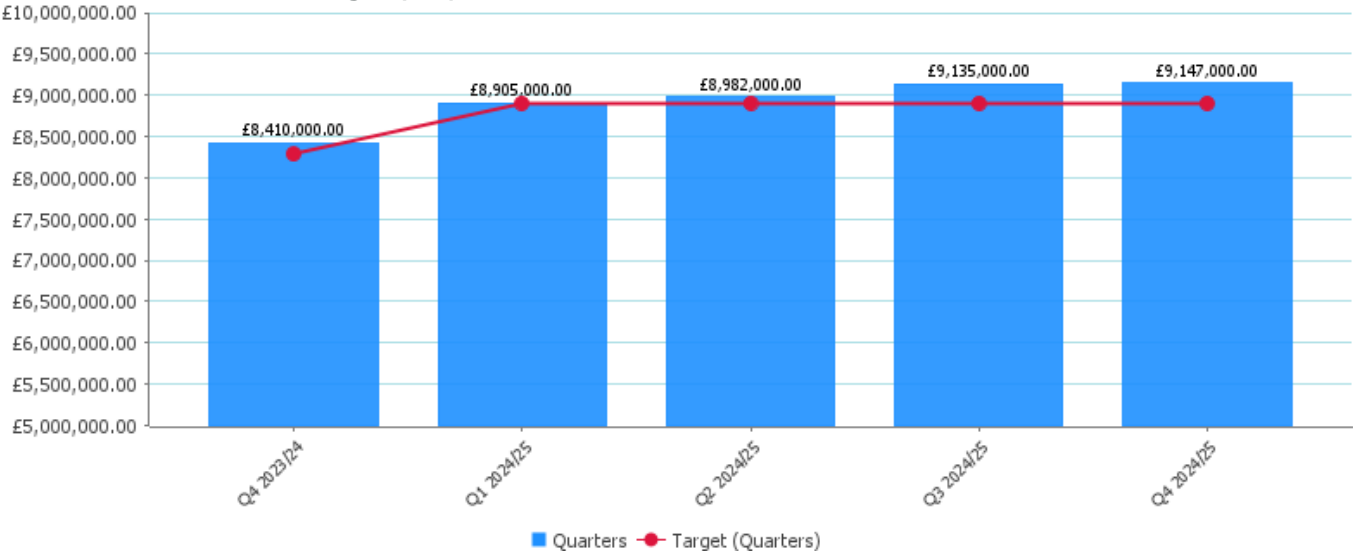
Non Domestic Rates Collected



04-Jul-2025

Achieved target for 2024/25, and Quarter 1 2025/26 collection is 1.53% above the profiled target of 33.6%

Forecast Outturn vs Budget (£m)



05-Jun-2025

The overspend is £12k higher than what was reported at Q3 due to continued rise in temporary accommodation cost, and loss of income in some key areas (e.g. cemetery income).

Forecast Income from Treasury Management Investment (£k)

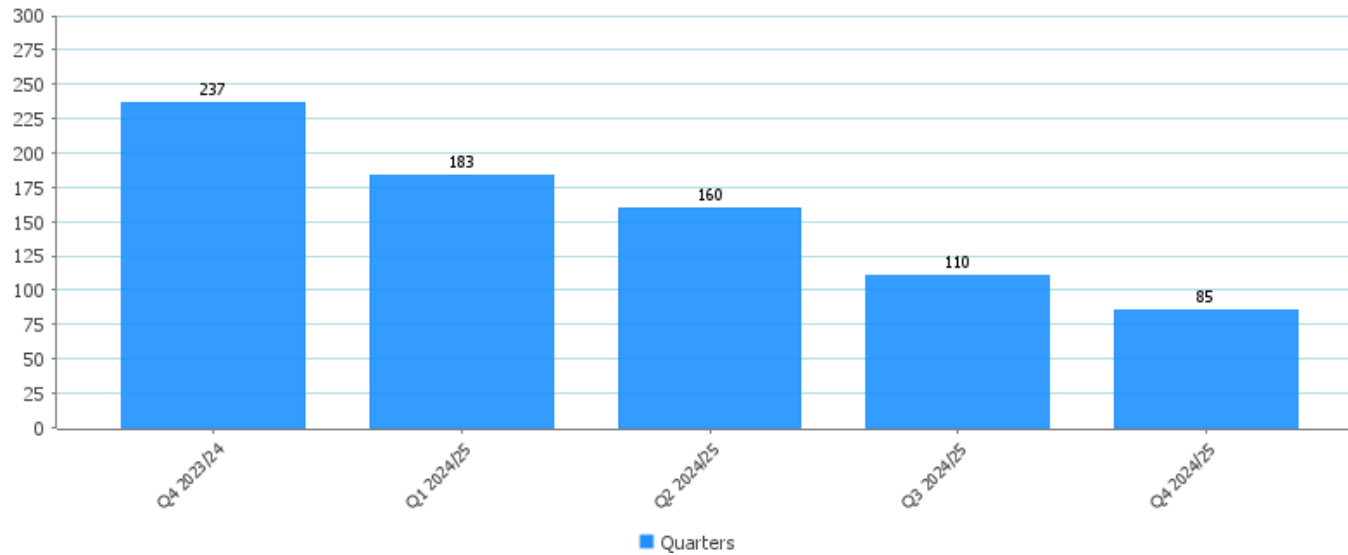


30-May-2025

Provisional outturn as at 25/04/2025.

Number of Stage 1 Complaints Received

25-Apr-2025



1. The number of Stage 1 complaints received in this quarter was 85. We have seen a decrease from 110 in the previous quarter.

2. Most of the complaints received this quarter were from Refuse and Recycling, which continues to be the same each quarter regarding missed collections and the 'set back' of bins. We also received several complaints regarding upset at the change to the Christmas collections. This year we did not collect recycling during Christmas week and instead collected refuse.

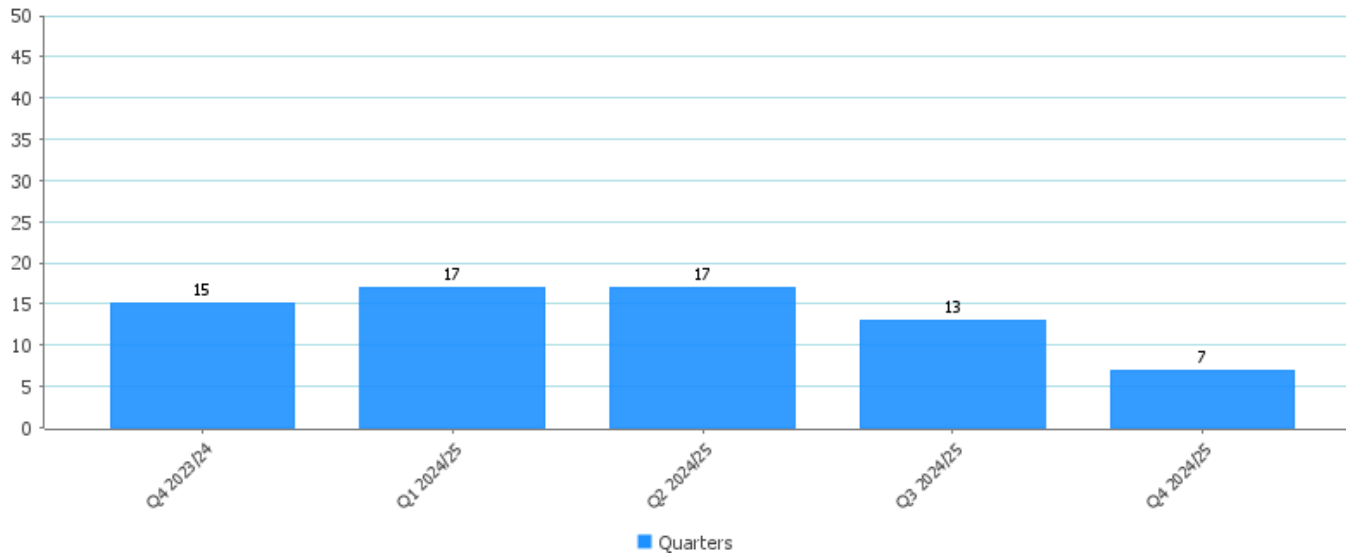
3. In the early part of the quarter, we did continue to see a rise in complaints about Licensing due to delays with applications. However, this has now settled towards the end of the quarter as more staff members have joined the team.

4. Planning and Planning Enforcement continued to receive complex complaints from the same complainant which has taken up a lot of their resources this quarter. The majority of these did also escalate to Stage 2.

5. We also saw a rise in complaints about Planning Policy, which is rare, due to the publication of the Local Plan.

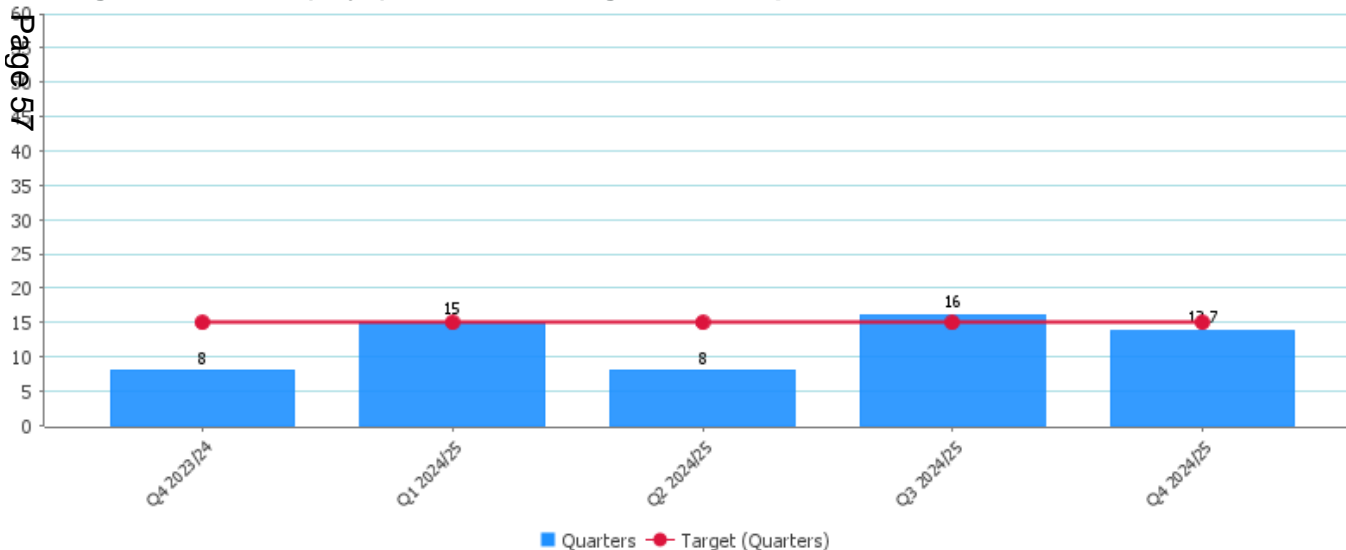
25-Apr-2025

Number of Stage 2 Complaints Received



1. The number of Stage 2 complaints has fallen this quarter from 13 to 7, a continued decrease from 17 in Q1 24/25.
2. These were mostly related to Planning or Refuse and Recycling. Planning complaints are the most likely to escalate to a Stage 2.
3. Complaints typically escalate as issues continue to be ongoing after the response at Stage 1 or the complainant is unhappy with the response and would like a further reply or investigation by a more senior member of staff.

Average Time Taken (days) to Process Stage One Complaints

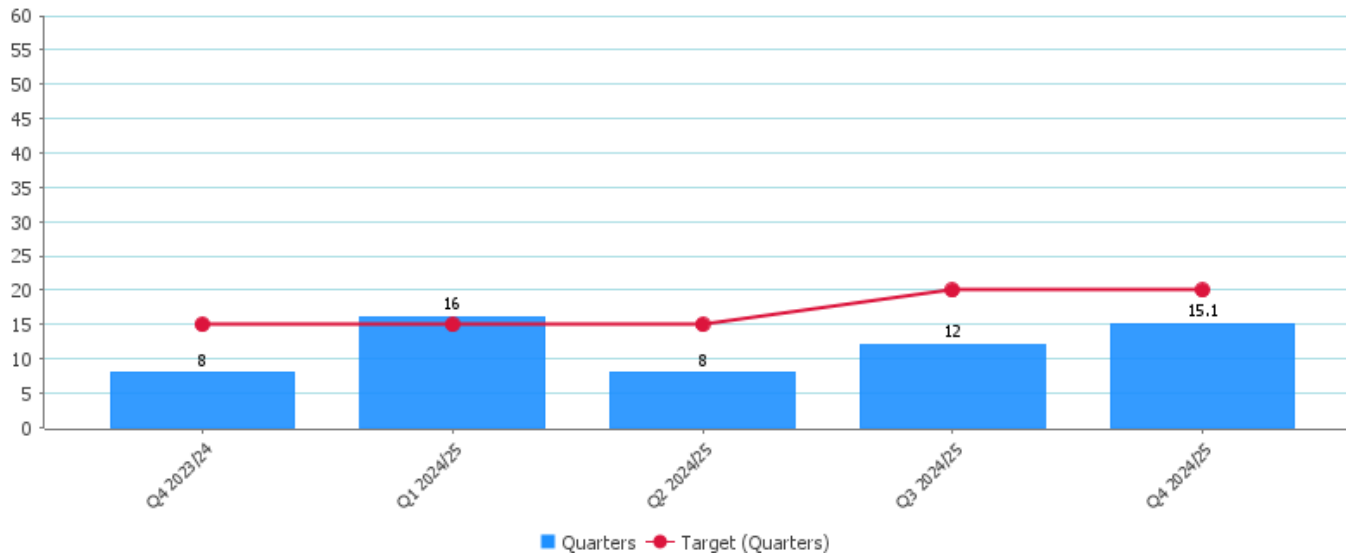


30-Apr-2025

1. The time taken to process Stage 1 complaints for this quarter was 13.7 days, within the target of 15 working day timescale. This improvement is down from 16 days in Q3 and may be due to fewer Stage 1 complaints to address this quarter.
2. Time to respond to Refuse and Recycling complaints has slightly increased as both Refuse and Recycling and the Contact Centre have taken on additional work related to the roll out of the new My Council Services forms.
3. Contact Centre training is underway to further build the team's resilience when workload increases.

Average Time Taken to Process Stage Two Complaints

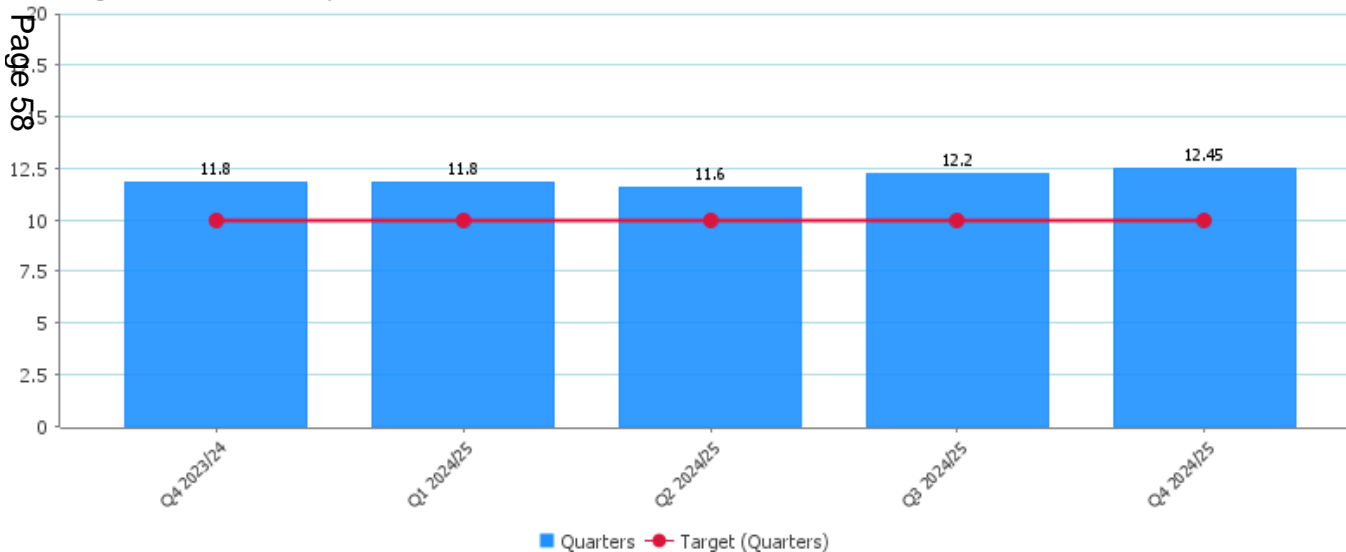
30-Apr-2025



1. The average time taken to process Stage 2 complaints in Q4 was 15.1 days, well within the target 20-working day timescale although slightly up from Q3 (12 days).

3. Factors impacting on the time taken to complete Stage 2 complaints include resourcing and changes to investigating officers.

Average Number of Days of Staff Sickiness

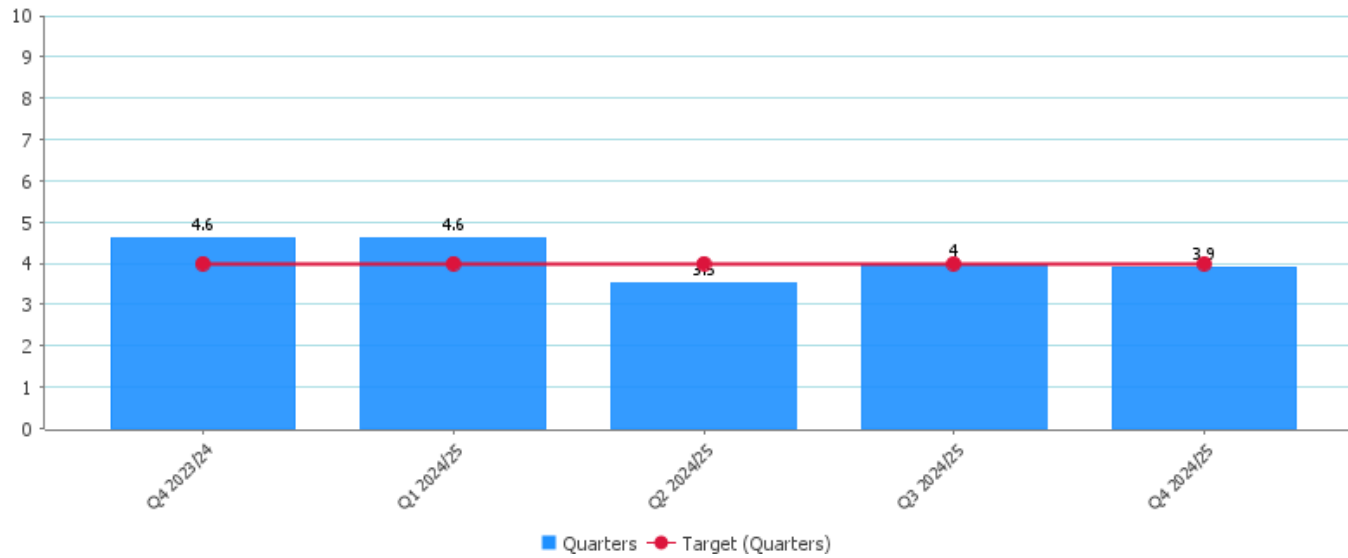


23-Apr-2025

- Slight increase from Q3 and still over our target of 10.

Short-term Staff Sickiness (Av. no days)

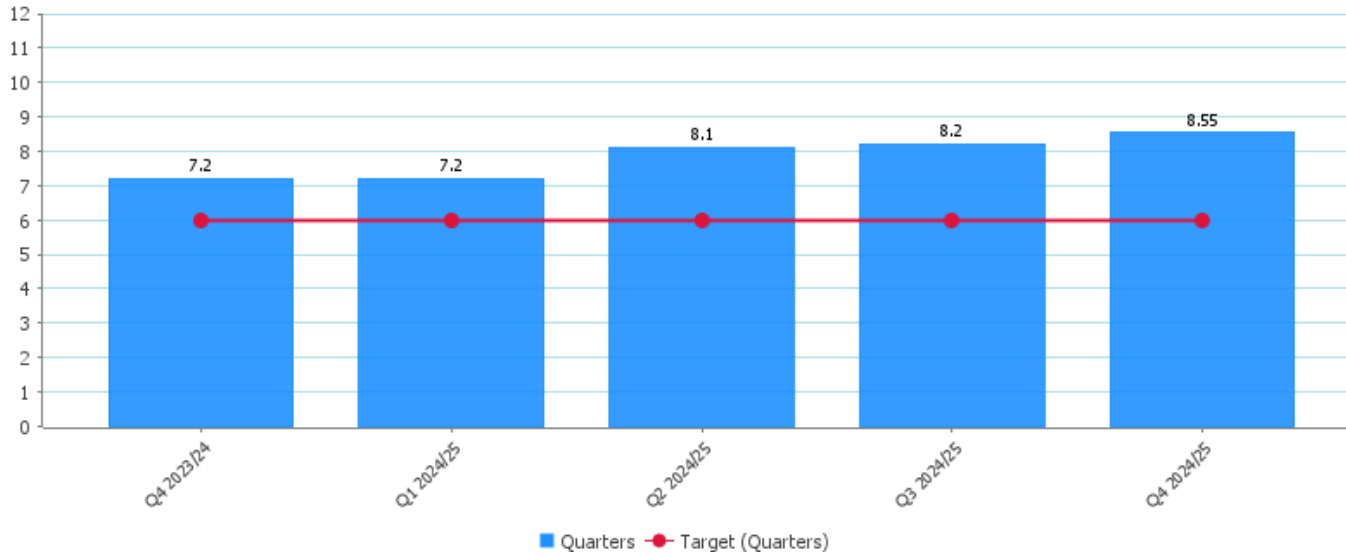
23-Apr-2025



- Slight reduction on Q3 and within target.

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

15-Apr-2025

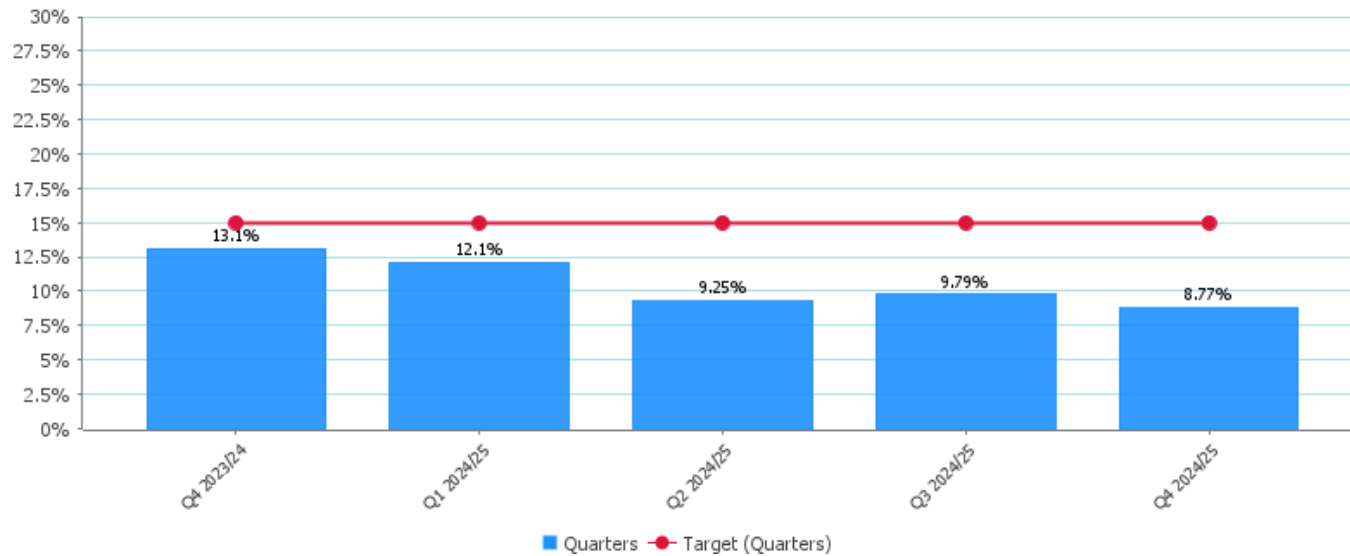


Long term sickness is being managed closely, as a priority, by our People and OD Business Partner and action is being taken on all long term cases.

We are continuing to work alongside managers to help bring high priority cases to a positive resolution, offering guidance and support throughout the process. By focusing on early intervention, we're able to pick up on issues sooner and put support in place more quickly. In number of recent cases, this has helped staff return to work with the right adjustments and arrangements in place. Referrals to Occupational Health have remained steady, and we're continuing to recommend reasonable adjustments and risk assessments to make sure staff feel supported and able to work safely and comfortably. All these steps are helping us to resolve cases more smoothly and ensure staff have a better experience, with early support making a real difference.

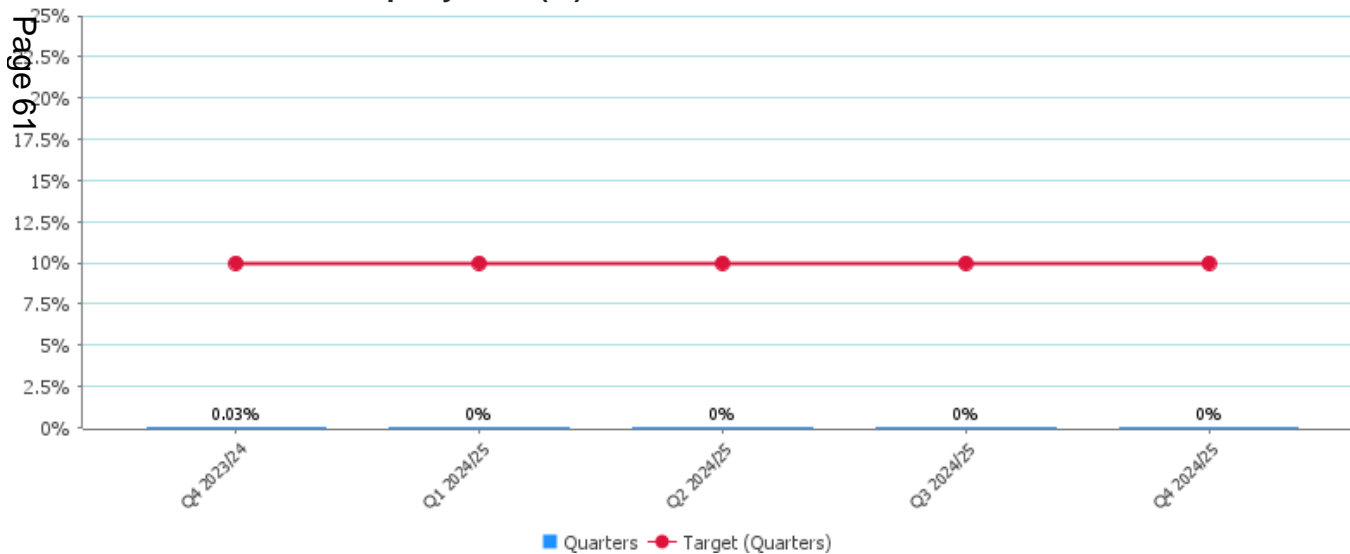
Due to the nature of long term sickness cases it takes some time to support staff and managers through the process. This coupled with the stats being based on a rolling year means that it may take up to 12 months to see a downward trend in our stats.

23-Apr-2025



- Reduction from Q3 and well within target.

Council Owned Vacant Property Rate (%)

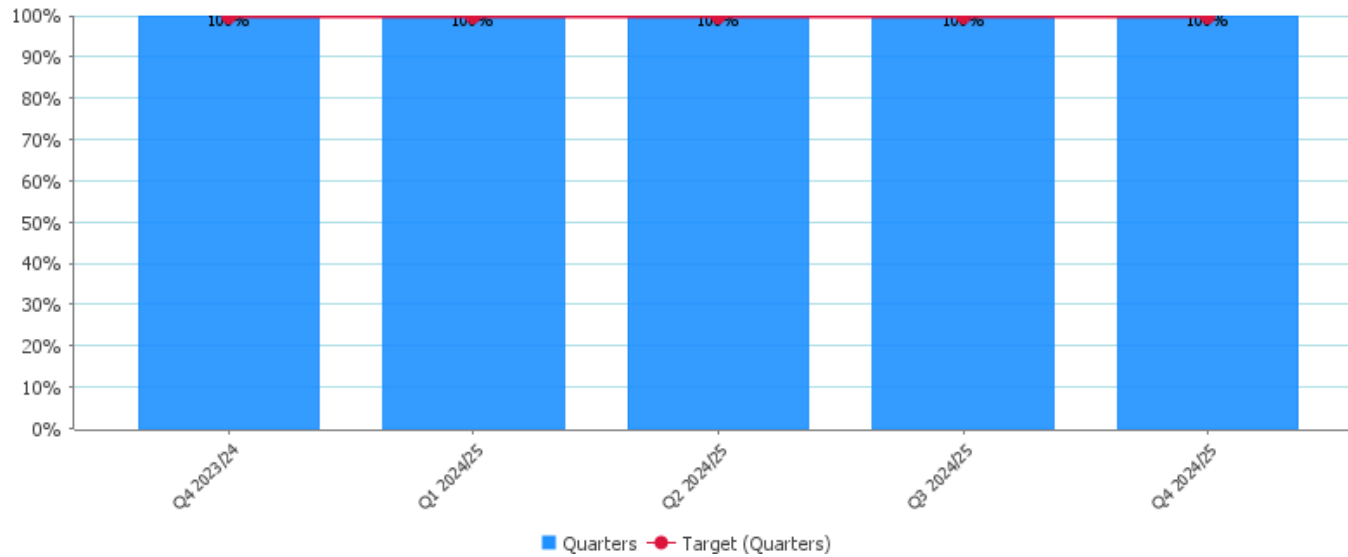


30-Apr-2025

- No change since last quarter.
- This KPI is for all council owned commercial/investment properties only.

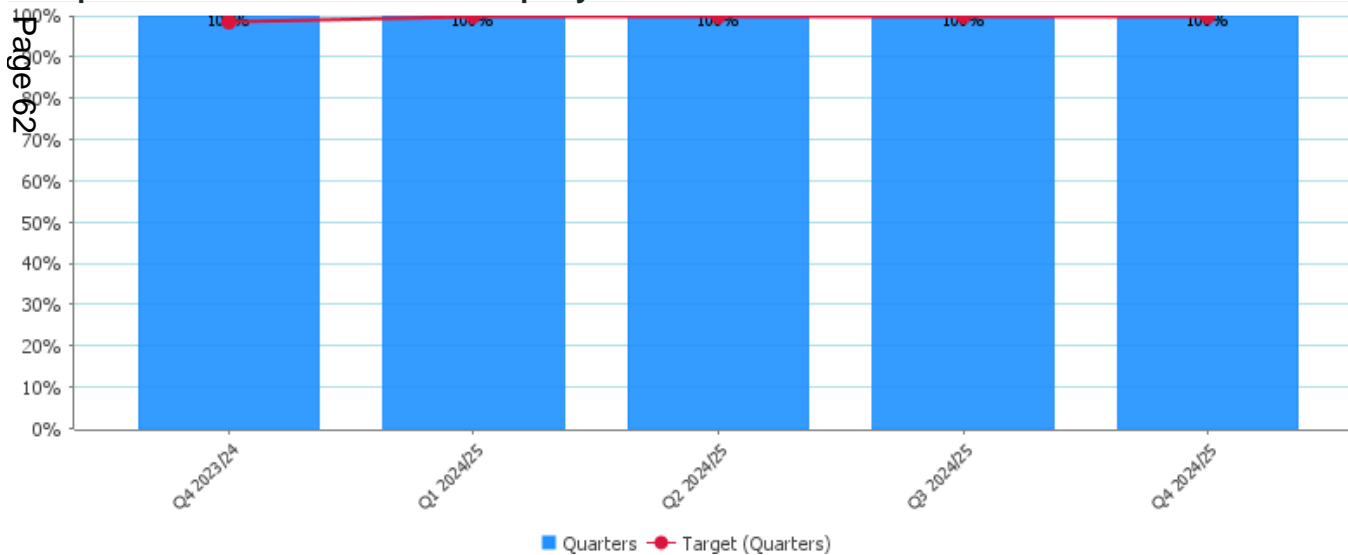
Completion Rates for ALL Property Maintenance Works

15-Apr-2025



All completion rates for ALL Property Maintenance Works have been completed within target

Completion Rate for PRIORITY 1 Property Maintenance Works



15-Apr-2025

Completion rate for Priority 1 Maintenance Works reached the given target in Q4 as all Maintenance Works have been completed on time and as per requirements.

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).

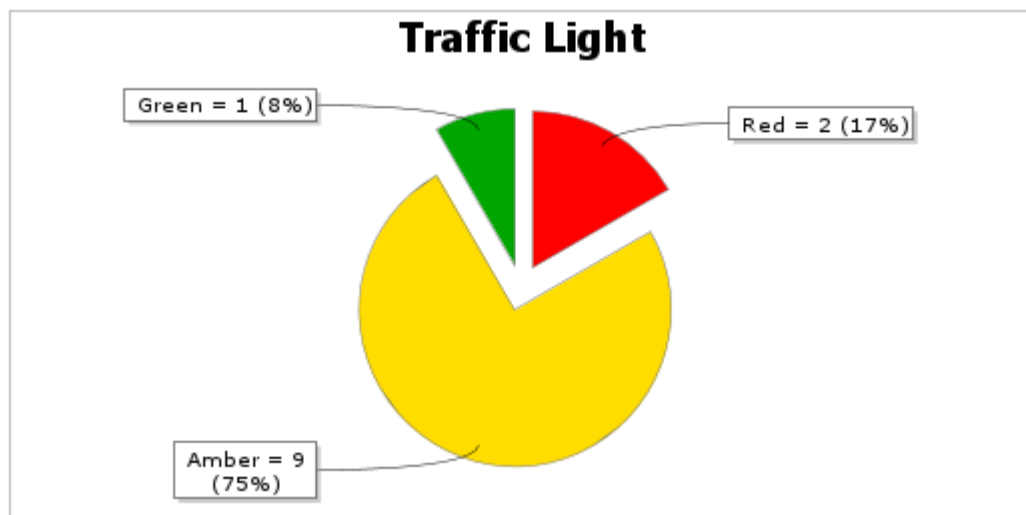
Step 2: Consider how we mitigate the risk and any controls in place.

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 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








Page	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
C9 64	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	<div></div>	Treat	The Council will receive an uplift in Homelessness Prevention Grant (HPG) funding 2025/26, which will help mitigate some of expenditure related to temporary accommodation expenditure. In addition, the Strategic Housing Manager (SHM) is currently undertaking a service review to identify potential areas for increased efficiency.	23 Apr 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	<ul style="list-style-type: none"> • The risk assessment remains 'high' whilst associated risks that contribute to this score remain under review. • Significant work has been completed on some of the associated risks in the final quarter, however with the risks that remain the assessment is that this score should remain unchanged. • Works in the first quarter of the new year are likely to see additional associated risks removed, and further additional reductions by the end of Q2 2025. At this point the risk score is expected to be reduced. 	30 Apr 2025
						Budget							
EO3	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	IT Strategy	3	3	9		Tolerate	Local Govt Proposal for 2 or 3 Unitaries will be submitted to Govt on 21/5. From then until we hear the outcome (Autumn 25) all 12 Surrey authorities will be working towards a safe and legal Vesting Day and exploring collaboration of services. Risks remain possible/likely until more is understood and explored (particularly around CGR, Finances, ASC, CS and SEND)	06 May 2025
						Security Operations Centre							
						Cyber Security Strategy							
						Working Group							
Page 65						Stakeholder group							
						Collaboration with other councils							
						Chief Executive working groups across the county							

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	Local Plan was submitted in March 2025 for independent examination. Timings for examination not yet confirmed by Planning Inspectorate. There remains a risk that the Local Plan will be found unsound.	25 Apr 2025
						Local Plan Risk Register							
						Report to Stakeholders							
						Member briefing							
						Project Critical Path Established							
						Project Plan							
						Full staffing in place							
						Partners fully engaged							
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	No change from previous assessment.	06 May 2025
						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							

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	The work being done with Data Protection People is improving our organisation resilience on data protection, and in the event of an issue, the recent progress we've made would improve our response.	05 Jun 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 mobilisation programme							
						Email warnings and checks							
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	2	3	6		Treat	Likelihood reduced following adoption of new Action Plan 25-29	25 Apr 2025
						Additional staff							
						Working Group							
						Climate Change Action Plan							
						Member Working Group							
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	1	4	4		Treat	Decision at Full Council this evening to cancel proposed move in context of CGR and risk likelihood has been adjusted to take that into account.	06 May 2025
						Full Council Approval							
						Appoint external consultant							
						Corporate Procurement process							
						Steering Group appointed							
						Business case							
						Project Plan							

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	2	4		Treat	Improved management of safeguarding and training, plus a recent satisfactory safeguarding audit demonstrated that good controls are in place.	05 Jun 2025
						Intranet Site (The Hub)							
						Staff training							
						Safeguarding Policy							
						Knowledge sharing							
						Register of vulnerable residents							
						Internal safeguarding group							
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	Risk score remains unchanged for this quarter, however business as usual work is underway to maintain existing risk mitigations.	06 May 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	No change at Quarter 4 2024/25. The council is in the process of re-procuring its contract for emergency planning and business continuity support, which is on-track.	03 Apr 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.

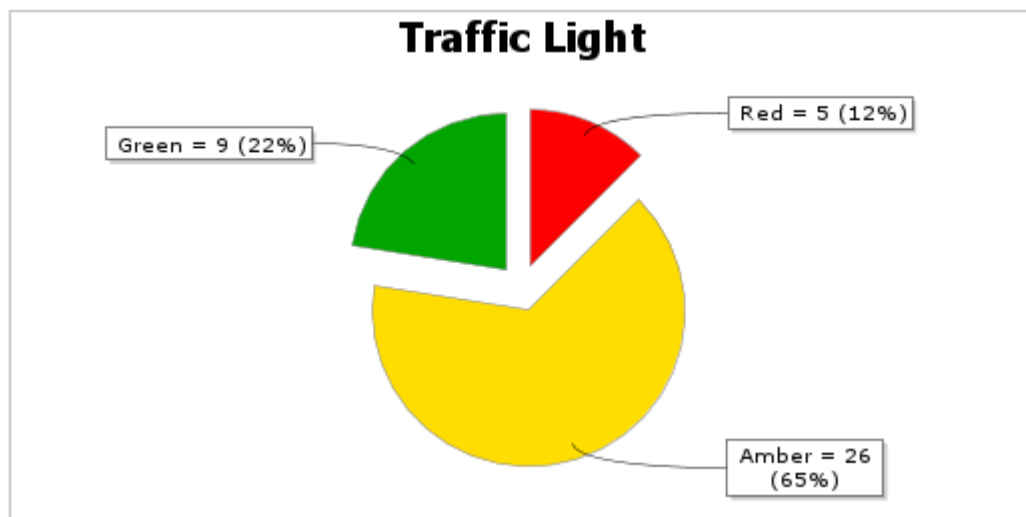
Step 3: Score the **residual** risk = impact x likelihood (taking into account the controls and mitigations we have in place).

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.

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Likelihood	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
Multiplier		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
72	C13 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 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	4	3	12	<div></div>	Treat	The upward trend of homelessness approaches has continued after an unusually high number of SWEPP (Severe Weather Emergency Provision) placements. Reporting regularly to relevant committees and liaising closely with finance.	05 Jun 2025

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	4	3	12		Treat	There were no significant affordable housing developments during 2024/25. The Strategic Housing Manager (SHM) continues to work closely with Planning colleagues, Register Provider partners and developers to enable affordable housing.	23 Apr 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	The capital funding has been agreed, and the work needed has been tendered out and a contractor chosen. The funding fell short of the initial quotes for the works received, due to the the consultant used to put the tender out identifying the need for a new house lighting system, which was not included in the original bid for capital funding. This being the case, we removed the requirement for stage lighting fixtures and leads from the tender, to enable the priority works to go ahead in August. We have recently reviewed the stage lighting fixtures and leads, and the price has been reduced from the original quotation of £205,208 to £111,096, which leaves us £30,000 short of the needed capital to complete this element of the works.	05 Jun 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 we're not anticipating significant new arrivals.	05 Jun 2025
						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	The commercial offering at Bourne Hall is going from strength to strength, the cafe is doing exceptionally well. The marketplace is also thriving, keeping a steady income flow and bringing footfall to Epsom, boosting economic vitality. We are steadily increasing income from our parks, although we have faced opposition at times, especially with fairgrounds. However, this has subsided with good management of the situations.	05 Jun 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	The new H&WB Strategy is being developed, with those impacted by the cost of living and wider-determinants of health being targeted. This will continue to help mitigate risk.	23 Apr 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
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	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	Budget Monitoring Community Safety Action Plan	2	3	6		Tolerate	All management, supervisors, and other venue staff have been tasked to complete the Protect awareness course online. It is also considered within our events risk assessments and we are now asking all departments to add it to any bookings to hire our venues. It was also discussed at our Operational Services health and safety meeting in May 2025.	05 Jun 2025
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	Partnership Working Information Published on Website Policy in place Knowledge sharing Service Manager Review	1	3	3		Tolerate	Our process has been worked through and the risk has reduced compared with previous assessments.	05 Jun 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.	05 Jun 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	Current difficulty in delivering a compliant statutory service owing to recruitment difficulty over 2 posts. Managing risk using contracted resource however this is expensive and requires a reduction in overall hours to be affordable.	01 May 2025
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	Report has been requested to S&R Committee 15 July 2025.	29 May 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	Monitoring for Government Announcements Simpler Recycling	2	3	6		Tolerate	No change in status. Still no response to our EPR appeal.	29 May 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	Budget Monitoring	2	3	6		Treat	Trees requiring Ash Dieback work, and unplanned maintenance works on other trees, have increased over the past 12-18 months and will likely result in a backlog of tree works over the next financial year. Officers are monitoring the situation with a view to bidding for grant funding from government should it reach a level where it could not be managed through existing budgets as now.	25 Apr 2025
						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.							
S22	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	Annual Budget Setting	2	2	4		Treat	It's recommend that this risk is retired, as allotments cover their costs as far as possible. While there is always the risk of unexpected costs (e.g. water supply), these are not deemed significant enough to be included on a budget committee risk register. In addition, Central services would be present without allotments.	05 Jun 2025
						Medium Term Financial Strategy							
						Working Group							
HC10	Significant decrease in parking revenue from car parks	<ul style="list-style-type: none"> Increased budgetary pressures. 	3	4	12	Annual Budget Setting	1	2	2		Treat	Whilst car park income remains a significant source of revenue for the Council, the income generated in 2024/25 has been surplus to the budget.	05 Jun 2025
						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	<ul style="list-style-type: none"> • 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	This risk will be retired as a new solution is in place.	05 Jun 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
HC27	Out of date licensing policies	<ul style="list-style-type: none"> Gaps in governance framework. Reputational damage. 	4	4	16	Additional staff Access to legal advice Committee training	4	2	8		Treat	Agreed measures to free up and develop capacity are underway: anticipate resumption of policy work in Q2-3. A briefing note on this risk will be presented to the Committee at their July 2025 meeting.	19 May 2025
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	Budget Monitoring Ability to Alter Discretionary Service Fees	2	3	6		Tolerate	Fees have increased on 1 April 2025 with a doubling of householder fees and more larger schemes coming forward, with PPAs attached. Fee income will increase over this quarter when measured against the previous quarter.	24 Apr 2025
PD2	Planning breaches are not enforced	<ul style="list-style-type: none"> Negative impact on neighbouring residents. Legal challenge. Reputational damage. 	4	4	16	Enforcement Trainer Actioning Cases Development Management Project	2	3	6		Treat	Risk score remains unchanged, however the backlog is decreasing and current workload commitments are worked through. Anticipated improvements to continue. An Internal Audit on Enforcement is also underway.	19 May 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.	24 Apr 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		Treat	Following agreement around resource increase provided by income in this service area, there is a recruitment campaign underway covering three positions which will reduce the risk considerably. Expect this to come on stream in Q2-3.	01 May 2025
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. • Contract staff previously made permanent to help reduce risk. 	25 Apr 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.	24 Apr 2025
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	1	3	3		Tolerate	Risk that government will transfer taxi licencing to strategic authorities, but this is any new Unitary Authority's risk to manage, and there are no significant concerns regarding recovery of fees. Hence likelihood reduced to 1.	19 May 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	<div>Reports submitted to committee for approval</div> <div>Budget Monitoring</div> <div>Service Manager Review</div>	1	3	3		Tolerate	Risk currently at a manageable level owing to 2 years fee free and a modest increase in 25-26 no evidence of a reduction in demand.	01 May 2025



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	1	1	1		Tolerate	This risk will be retired.	19 May 2025
						Councillor Engagement							
						Transport modelling							
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	This risk will be retired - transport modelling delivered by SCC to support Local Plan Regulation 19 Consultation.	19 May 2025

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 will always ensure it complies with its Best Value obligations by appointing properly procured, reputable and experienced property and regeneration consultants. The risk is severe because LGR could delay or postpone the Council's ability to deliver a value for money result.	01 May 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	The risk remains unchanged to reflect continuing economic global uncertainty and the possibility it might impact on commercial tenants.	01 May 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 Climate Change Action Plan	3	3	9		Treat	Continued solid and tangible progress has been made evidenced by the Climate Change Action Plan Progress Update taken to Environment Committee on 17 March 2025.	01 May 2025






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 this quarter.	05 Jun 2025
						Annual Budget Setting							
						Competitive Procurement of Utilities							
F26	Incorrect administration of benefit payments could affect council budget.	<ul style="list-style-type: none"> Reduced recovery rate on benefits paid out. Increased demand for benefit payments due to recession. Reputational issue Welfare issue for residents 	2	4	8	Monitor benefit performance indicators	2	3	6			<ul style="list-style-type: none"> <i>This risk is proposed to be added to the S&R Risk register to help manage the impact of the following:</i> <i>The Council administers Housing Benefit (HB) on behalf of the Department for Work and Pensions (DWP).</i> 	24 Jun 2025
						Quarterly monitoring of subsidy position							
						Maintaining bad debt provision for claimant arrears							
						Manage the implementation of Universal credit							
						Recruitment and retention programme							
						Systems update							
						Regular meeting with DWP							
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		Treat	No change at Quarter 4 2024/25, as the project remains on track.	03 Apr 2025
						Contract Management							
						Procurement Strategy							
						Contract Standing Orders							
						Project Contingency Time							
						Corporate Procurement process							

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 Car Park monitoring	2	3	6		Treat	The Car Park Strategy is being prepared to ensure adequate parking capacity is retained. This is now an increased Financial and Corporate Objective following the grant of planning approval for the Utilities Site 450 unit residential scheme and the likely impact on Hook Road Car Park.	01 May 2025
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 Information Published on Website Complaints Management Governance Complaints Meetings	2	2	4		Tolerate	• No change this quarter.	29 Apr 2025



EO8	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		Tolerate	The risk assessment has not changed since the last review.	05 Jun 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	Our current Director of Corporate Services (S151) will be leaving shortly with our new Director joining on 19th May. All senior roles will be filled. As LGR progresses it is likely to impact on capacity of those in Leadership roles as they are likely to be contributing to workstreams. Capacity needs to be considered and plans for potential backfill drawn up.	24 Apr 2025
						Retaining Talent Policy							
						Succession Planning							
						Performance Management							
						My Performance Conversations							
						Risk Management Strategy							
Page 86						Project Management Governance							

Annual Governance Statement Actions

Every year we publish our Annual Governance Statement, which outlines the effectiveness of our overall governance framework. As part of this review, we identify key actions which we feel will improve our corporate governance.

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	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	31-Mar-2024	30-Sep-2024	HR Advisor left in December leaving one vacant post. Decision to recruit an HR Administrator and delete an HR Officer post to better meet the needs of the service. All HR posts filled in April 2025 giving capacity for team to progress policy and project work.		Completed	02-May-2025
Review and enhance recruitment and retention policies and procedures for key roles across the council	31-Mar-2024	30-Sep-2025	A new HR Administrator joined on 1st April 2025. The team is now at full capacity which will enable time to focus on this project. Recruitment and retention will be a key strand of HR in light of Local Government Reorganisation. The Council is working with our partners in the Districts & Boroughs on a joint approach where possible. This action will be CARRIED FORWARD.		On track	03-Jul-2025
Review and update IT policies as necessary	31-Mar-2024	31-Dec-2025	Additional elements being considered for inclusion in policies including the secured use of Artificial Intelligence (AI). Policy work is being scheduled to align with several high priority IT procurements that are currently underway, This action will be CARRIED FORWARD.		On track	04-Jul-2025
IT AGS action	31-Mar-2024	31-Dec-2025	Update relates to IT security so cannot be disclosed. Members are requested to contact the report author outside of the committee meeting if they would like the update. This action will be CARRIED FORWARD.		On track	03-Jul-2025
Document management Software - to procure new software to enhance the revenues and benefits service	31-Dec-2024	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.		Completed	11-Feb-2025

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
Biodiversity Net Gain - implement the Biodiversity Net Gain policy requirements	31-Jul-2024	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. Therefore, the impact of BNG has been very limited to date, and we haven't had to introduce any specific measures to deal with it. As such, this no longer represents a significant governance issue that the council can action. Consequently we have closed the action and will instead include it as a risk on our risk register.	●	Completed	04-Jul-2025
Public Protection Inspections - review resourcing in statutory Environmental Health services, including discretionary activities	31-Mar-2025	31-Mar-2025	This item has been completed.	●	Completed	11-Feb-2025
Audit and Scrutiny Committee- review the Audit and Scrutiny Committee's Terms of Reference	31-Mar-2025	28-Feb-2026	Due to LGR, the council is no longer pursuing its Corporate Peer Challenge action plan, which this action formed a part of. Therefore this action has been superseded by the council's new Strategic Priorities, and will be marked complete for this reason.	●	Completed	03-Jul-2025
Corporate Plan - produce a long-term corporate plan	31-Mar-2025	31-Mar-2025	Strategic Priorities for 25-27 approved at Full Council 6/5/25 - these will supersede old 4 year plan and proposed new 5 year plan.	●	Completed	08-May-2025
Develop a corporate record of the Council's resident engagement activities	31-Mar-2025	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>	●	Completed	11-Feb-2025

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
Data Protection Officer - source additional Data Protection Officer capacity	31-Oct-2024	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>		Completed	24-Jan-2025
Councillor Training - review and enhance the councillor training and development programme	31-Mar-2025	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> <p>This action will be CARRIED FORWARD.</p>		On track	03-Jul-2025

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ANNUAL GOVERNANCE STATEMENT 2024-2025

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Corporate Governance and Strategy Manager, Performance and Risk Officer
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1: Annual Governance Statement 2024-25

Summary

The Annual Governance Statement (AGS) is an important document which provides assurance concerning the council's governance arrangements, both financial and non-financial. It is prepared on an annual basis for inclusion in the Statement of Accounts. This report seeks the Committee's approval of the draft AGS 2024-25.

Recommendation (s)

The Committee is asked to:

- (1) Approve the 2024-25 draft Annual Governance Statement as set out at Appendix 1, prior to it being signed by the Chief Executive and the Chair of the Strategy and Resources Committee and received to note by Full Council.**
- (2) Nominate and authorise the Chief Finance Officer, in consultation with the Chair and Vice-Chair of Audit & Scrutiny Committee, to make any required amendments to the Annual Governance Statement prior to its submission with the Statement of Accounts.**

1 Reason for Recommendation

- 1.1 To comply with the Accounts and Audit Regulations 2015, the Council must prepare an annual statement which appraises its internal control environment. This is referred to as the Annual Governance Statement (AGS), and forms part of the annual financial statements.

2 Background

- 2.1 Our governance arrangements aim to ensure that we set and meet objectives; act lawfully, openly and honestly; and do the right things in the right way. In addition, these arrangements also create a framework in which all monies and resources are accounted for, safeguarded, and used efficiently and effectively.
- 2.2 The AGS is an important document which provides assurance concerning our governance arrangements, both financial and non-financial. It is prepared on an annual basis for inclusion in the Statement of Accounts. Before the Chief Executive and Chair of Strategy and Resources Committee certifies the statement, it is presented to the Audit and Scrutiny Committee for approval. It is also intended that the AGS is submitted to Full Council to note.
- 2.3 The draft AGS 2024-25 is attached at Appendix 1. This statement has been prepared with reference to our Code of Corporate Governance, and in consultation with senior management (via Divisional Assurance Statements), and the three statutory officers: Head of Paid Service (Chief Executive), Director of Corporate Services and Section 151 Officer, and Monitoring Officer. The Chief Internal Auditor's opinion is included in the AGS, which provides independent assurance over our systems of internal control and risk management.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

- 3.1.1 There are no direct equality implications associated with this report.

3.2 Crime & Disorder

- 3.2.1 There are no direct crime and disorder implications associated with this report.

3.3 Safeguarding

- 3.3.1 There are no direct safeguarding implications associated with this report.

3.4 Dependencies

- 3.4.1 The content of the AGS is, in part, dependent upon the findings of the Chief Internal Auditor's annual conclusion This report is published within this meeting's agenda.

3.5 Other

- 3.5.1 There are no other implications with this report. Although notably, the report is a form of risk assessment as it provides the council's assessment of its own governance and systems of internal control. Where improvements have been identified, they are listed in the AGS's action plan.

4 Financial Implications

- 4.1 There are no financial implications arising through the preparation and publication of the AGS.
- 4.2 **Section 151 Officer's comments:** None directly arising from the contents of this report.

5 Legal Implications

- 5.1 In order to comply with Regulation 6 of the Accounts and Audit Regulations 2015, the Council must prepare and approve an Annual Governance Statement (AGS). Regulation 10 of the 2015 regulations requires the council to publish the AGS alongside the adopted statement of accounts.
- 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: N?A
- 6.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** There are no direct implications arising from this report.
- 6.4 **Sustainability Policy & Community Safety Implications:** There are no direct implications arising from this report.
- 6.5 **Partnerships:** The Southern Internal Audit Partnership deliver the council's internal audit function, and Grant Thornton are the council's external auditors.
- 6.6 **Local Government Reorganisation Implications:** LGR has impacted the council's governance, please see Appendix 1 for further information.

7 Background papers

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

Previous reports:

- Annual Governance Statement 2023-2024, Audit and Scrutiny Committee, 25th July 2024. Online available: [Epsom and Ewell Democracy](#) [last accessed 17/06/2025].

Other papers:

- None.



Annual
Governance
Statement
2024-2025

Date: July 2025

1. Executive Summary

Following the government's announcement and plans for Local Government Reorganisation (LGR), Epsom & Ewell Borough Council have developed [7 Strategic Priorities](#) which we are committed to deliver during 2025-27. These priorities now stand in place of a new Four Year Plan, in light of the timescales associated with LGR.

We continue our drive to work as efficiently and effectively as possible in delivering our existing strategies and services, and managing our assets and sources of income and expenditure. Yet we remain adaptable to changes in government legislation and other external factors.

Governance can be defined as comprising “the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The fundamental function of good governance in the public sector is to ensure that [local authorities] achieve their intended outcomes while acting in the public interest at all times.” 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 [the organisation] is well founded.”

For an account of the key processes, procedures and controls we have in place to ensure we have a robust foundation of good governance and sound financial management, please see our local [Code of Corporate Governance](#). The Code provides assurance that we are meeting the CIPFA principles of good governance.¹

Each year we are required to produce an Annual Governance Statement (AGS). The AGS incorporates the continuous assessment of our governance arrangements throughout the last year, identifying areas where we can improve,² and ultimately providing us with an honest and transparent assessment of our governance arrangements. Therefore, this helps us to ensure we are doing the right things in the right way, and ultimately delivering value for money.³ Hence why the AGS sits alongside our annual Statement of Accounts.

Our assessment of the status of our governance, for the year ending 31 March 2025, indicates that we generally have a sound foundation of governance, systems of internal control and risk management in place. However, there are some areas where we can further improve. These areas may impact our ability to manage risks

¹ CIPFA (2016) Delivering Good Governance in Local Government Framework, 2016 Edition. CIPFA: London.

² See the following sections: “Rationale for the Statement’s Assurance Opinion” and the “Action Plan”.

³ HM Government (2024) Best value standards and intervention: a statutory guide for best value authorities, Dept. for Levelling Up, Housing & Communities. Online available: <https://www.gov.uk/government/publications/best-value-standards-and-intervention-a-statutory-guide-for-best-value-authorities/best-value-standards-and-intervention-a-statutory-guide-for-best-value-authorities#best-value-powers> [last accessed 31/05/24].

effectively and achieve our aims and objectives. Yet we are aware of these issues, outlined in Section 3, and have plans in place to address them.

LGR has, and will continue to have, a significant impact on our governance. Most notably, the impacts relate to our strategic development, both as an organisation and our vision for the Borough, continuous improvement, and human resources.

Given the council is expected to be merged with neighbouring authorities to make a new larger unitary council in 2027, setting long-term goals beyond this date is redundant. To address this, we agreed the 7 strategic priorities which we believe will yield the most benefit to the Borough over the next two years. However significant investments and spend in continuous organisational improvement is less likely to happen, as the value of these will not be realisable in the next two years, and the new local authorities will have their own plans for this. To that end, we have chosen not to progress our Corporate Peer Challenge (CPC) action plan. We also face the challenge of managing our workforce in an environment of uncertainty, in that we are aiming to retain and recruit officers in an organisation that will change significantly in 2027.

2. Review of the Effectiveness of the Council's Governance Framework

Gaining assurance for the review

Throughout the year, we regularly review the effectiveness of our governance arrangements, which culminate in this annual statement. In addition to the controls listed within our [Code of Corporate Governance](#),⁴ we gain assurance for the content and overall governance assessment of the AGS through the following:

- Management assurance statements: all Heads of Service are required to review and sign a statement regarding the status of governance in their department. Any weaknesses that are identified by Heads of Service are then reviewed by the Strategic Leadership Team, and those that are significant governance issues are included in this statement's action plan (below).
- Statutory Officer Statements: Each statutory officer of the council provides a governance statement related to their areas of responsibility (see "Statutory Assurances" below).
- Code of Governance review: as part of the production of this statement officers review our Code of Governance and assess whether the controls and processes listed within are working effectively at present.
- Internal Audit's annual opinion: central to forming our assessment of our governance is our consideration of the Chief Internal Auditor's annual conclusion on our organisational governance, having completed the last annual audit plan.
- External Audit: we review the outcomes of our last External (financial) Audit, including the value for money element. Any observations are considered for inclusion in this Statement.
- Draft AGS review: the Strategic Leadership team conduct a final officer review of the draft version of this Statement, before it is submitted to the Audit and Scrutiny Committee for final review and approval.
- Delivering Good Governance update: CIPFA have recently (May 2025) published an [addendum](#) to their "Delivering good governance in local government: framework," which provides further guidance on the contents and presentation of the AGS. These updates have been reviewed and incorporated into this year's Statement.

Compliance with CIPFA Financial Management Code

CIPFA published its first edition 'Financial Management Code' for local authorities in October 2019. CIPFA considers that compliance with this Code is mandatory for all

⁴ CIPFA (2023) *Developing an effective assurance framework in a local authority*, December 2023. Online available: <https://www.cipfa.org/cipfa-thinks/briefings> [last accessed 22/06/2024].

local authorities although such compliance is not specifically mandated by statute. The code is essentially a best practice guide to financial management in the local authority sector. It covers the following areas:

- The responsibilities of the chief financial officer and the leadership team (including members).
- Governance and financial management style.
- Medium to long term financial management.
- The annual budget.
- Stakeholder engagement and business plans.
- Monitoring financial performance.
- External financial reporting.

Officers have undertaken an assessment of the council's compliance with the Code and in general terms the council's arrangements meet the recommended standards.

Subsidiary Company

The Council has one subsidiary company – Epsom & Ewell Property Investment Company Ltd (EEPIC) – a 100% wholly owned trading company of the Council. It was set up in September 2017 to provide the Council with the flexibility to undertake commercial trading activities in property investment. In accordance with Government guidance introduced in April 2018, no further out of Borough property investment acquisitions have been made. As the sole shareholder of EEPIC, the Council ensures strong governance through regular meetings of the Shareholder Sub-Committee. It approves EEPIC's Annual Business Plan and receives an Annual Review each November as provided by the Shareholder Agreement. In addition to its role as shareholder, the Council is also EEPIC's lender with separate governance provided through Strategy & Resources Committee for loan agreement matters. EEPIC Board Meetings are held quarterly with quarterly management and finance monitoring reports submitted to the Council's S151 Officer to ensure loan monitoring compliance. As a property investment company holding property investment assets for income generation, the key risks to EEPIC are tenancy void periods i.e. tenant default or tenant failure to renew at lease expiry. To mitigate these risks, EEPIC holds long term leases (the shortest lease in the portfolio doesn't expire until 2036) and quarterly management reporting ensures Directors are kept fully informed of tenant matters. All Directors are senior officers of the Council, and all have received appropriate training.

Statutory Assurances

Several officers at the Council hold [statutory roles](#), which are established in legislation and have specific responsibilities. It is important that assurances from these officers are included in this AGS to support its conclusion on the Council's governance arrangements.

Head of Paid Service

The Head of Paid Service is responsible for the overall corporate and operational management of the Council. These responsibilities have been considered within the context of this statement and the Head of Paid Service can confirm that proper arrangements have been put in place for the overall operation and management of the Council.

The Head of Paid Service has significant concerns around the impact of the unprecedented increase in both the cost and demand for temporary accommodation on the council, particularly as this is a statutory requirement and must be met. We continue to face service and economic pressures and whilst the council remains relatively financially stable, this situation is unsustainable for the period of our current MTFS.

There has been a continued and sustained focus on governance, performance and risk management.

The Local Government Reorganisation (LGR) announced in December 2024 has placed Surrey on an accelerated timeline to Unitarisation, which has required a wholesale reconsideration of longer term plans and priorities. Staff turnover has stabilised well in the last year but the uncertainty of LGR has begun to impact on turnover, with the loss of a few key roles already having occurred. We anticipate this will continue and may place additional pressure on key services, particularly as retention and attraction will both become difficult.

The Council has worked with other Surrey authorities on the LGR submission and will be focussed on designing and implementing the future governance and service delivery models with potential unitary partners going forward into 25/26 and beyond.

Chief Financial and Section 151 Officer

The Chief Financial Officer (CFO) is responsible for the proper administration of the Council's financial affairs. The Chief Financial Officer confirms that the Council's arrangements conform to Section 151 of the Local Government Act 1972 and that the Council complies with CIPFA's Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016).

While the Council has robust financial management arrangements in place, it is important to note that the 2025/26 budget was produced in the context of prevailing uncertainty around local government future, finances and macro-economic developments. In 2024 we witnessed a change in government after 14 years which also saw discussion on Local Government Reorganisation (LGR) resurface.

Government wants to see a new 'single-tier' system in Surrey with a far smaller number of unitary councils each delivering all the local council services. This has

initiated added uncertainty within Councils and stresses the ongoing importance of good financial management to enable the Council to respond to the changing landscape.

During these developments, in 2024/25, the Council approved its Medium Term Financial Strategy 2025-29, which aims to deliver corporate priorities while addressing the future budget gap to maintain the financial health of the organisation. Financial risk remains high, particularly with regard to service demands including temporary accommodation, the future of the council, inflationary pressures and risks of reduction in council income. However, a healthy level of provisions are in place to manage risks as far as possible, but these risks will need to be monitored regularly.

As part of LGR, there are also advanced discussions with other Surrey authorities on how to respond to the expected changes in Surrey. We continue to use these platforms to ensure the council responds to challenges ahead where we assess financial resilience, collaborative initiatives and partnership opportunities, alongside a review of our statutory and discretionary services during 25/26 and beyond.

Monitoring Officer

The Monitoring Officer (Head of Legal Services – which includes oversight of the Council's Democratic Services and Election Team) is required to report to the Council in any case where it appears that any proposal, decision, or omission by the authority has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989.

During the course of the last year, the Council's Constitution was reviewed and updated; work to review the constitution in other areas continues, subject to the impact of CGR and LGR. The Council shall be considering the commencement of a Community Governance Review (CGR) at its extraordinary full council meetings scheduled for 26 June 2025, which shall explore via public consultation the potential creation of parish areas to be served by parish councils from 2027 onward.

As identified by both the Chief Executive and Chief Finance Officer, the Council has worked with other Surrey authorities on the LGR submission and will be focussed on designing and implementing the future governance and service delivery models with potential unitary partners going forward into 25/26 and beyond to ensure that any changes proposed either comply with or amend the current governance arrangements in place so as to ensure compliance with any relevant legal requirements.

Internal Audit Annual Opinion⁵

⁵ Please note our Internal Audit function is delivered by the Southern Internal Audit Partnership (SIAP), operated by Hampshire County Council. This paragraph is a direct quote from the *Annual Internal Audit Report & Opinion 2024-2025*, prepared by SIAP's Deputy Head of Partnership. It will be available in the committee papers for this meeting (once the agenda is published). The meaning of "reasonable" is defined in sections 4 and 9 of the annual report.

I am satisfied that sufficient assurance and advisory work has been carried out to allow me to form a conclusion on the adequacy and effectiveness of the internal control environment. In my opinion the framework of governance, risk management and control are 'reasonable' and audit testing has demonstrated controls to be working in practice.

Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

External Audit




External auditors Grant Thornton provided an unqualified (i.e. favourable) opinion on 26 February 2025 on the 2023/24 Statement of Accounts and have not identified any significant weaknesses in our: governance arrangements, financial sustainability, or our economy, efficiency and effectiveness.

The external audit of 2024/25's Statement of Accounts is expected to take place in Summer 2025.

3. Rational for this Annual Governance Statement's Assurance Opinion

This section highlights the factors that contribute to our overall assurance opinion, in addition to Internal Audit's annual opinion.

The first section focuses on the actions that relate to CIPFA's principles of good governance, while the second section presents actions that fall within the seven Best Value themes. Note, there will be some cross-pollination of actions between both sections, as certain actions will be applicable to both a CIPFA principle and a Best Value theme. Both sections use the following traffic light icon descriptors.



Definition ⁶	Description
<p>Adequate</p> 	<p>There are sound policies and processes in place that are working effectively across services, which provide for good governance arrangements and support compliance with requirements of the CIPFA Principle, and the achievement of the Council's Best Value aims and objectives.</p> <p>There may be minor areas for continuous improvement, but these do not represent a significant or material risk to the Council's overall governance framework.</p>
<p>Some development or areas for improvement</p> 	<p>Whilst there are policies and processes in place, there are some areas that remain a challenge for the Council or require further improvement, which may impact the effectiveness of elements of the Council's governance arrangements, compliance with the CIPFA principle and the achievement of the Council's Best Value aims and objectives. The Council has an action plan in place to address challenges and improvement matters.</p>
<p>Key development or many areas for improvement</p> 	<p>We have identified significant challenges in relation to the policies and processes, which may impact the effectiveness of elements of our governance arrangements, compliance with the CIPFA principle and achievement of our Best Value aims and objectives. We have implemented plans for corrective actions to manage these risks.</p>




⁶ We have referred to [Basildon Council's criteria](#) to inform this section's assessment (last accessed 11/06/2025).



Please note

The items included in the table below are controls, processes etc. that have changed in the year, that is, where we improved or identified an area to improve. It is therefore not a list of all the governance arrangements we have in place. For a full list and further detail on our arrangements and assurance framework, please see our [Code of Corporate Governance](#).

Documents listed in square brackets following items in the table below indicate where the item is being tracked. If it says Section 4 in the square brackets, this relates to the action plan contained within this statement.

Core CIPFA governance principle	Overall assessment	What's working well	Where we can improve
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		<ol style="list-style-type: none"> 1. New 'People Framework' for officers has been implemented. which is restyled on our hybrid working policy 2. We updated our Contract Standing Orders to meet the implementation of the Procurement Act 2023. 3. We have publicised the Seven Principles of Public Life to staff via a news article and hard copy and digital posters displayed across Council buildings and intranet. 4. We produced a our annual Diversity, Equity and Inclusion Framework report for 2024/25 and have an action plan for 2025/26 in place. 	<ol style="list-style-type: none"> 1. We have experienced delays in reviewing and updating our Health and Safety policies. However, this work has been assigned as a priority for completion in 2025/26 [Health and Safety Action Plan].
B. Ensuring openness and comprehensive stakeholder engagement		<ol style="list-style-type: none"> 1. We submitted our Local Plan for inspection on time. 2. We've published new guidance on managing contract for officers. 	<ol style="list-style-type: none"> 1. We are investigating ways to create a corporate repository for all our resident engagement activities to provide a better overview of this work. Further emphasis has been given to this through our governance review consultation. New consultation platform to be launched shortly (updated June 2026) 2. We will finalise the updates to our Procurement Strategy in July 2025, which has slipped by a few months due to the government's delayed implementation of the Procurement Act 2023 [Service Delivery Plan]. 3. We're reviewing appeals related to the Local Plan to ensure they do not relate to the governance of the Plan [Section 4].

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits		<ol style="list-style-type: none"> 1. We've agreed our second Climate Change Action Plan and achieved our 2024/25 objectives. 2. We delivered our 2024/25 Arts, Culture and Heritage Strategy objectives. 3. Our updates to our procurement documentation includes reference and guidance related to social value. 	<ol style="list-style-type: none"> 1. Approve the updated Health & Wellbeing Strategy following public consultation (July 2025). Progress has slipped past our intended completion date of the end of March 2025 [Service Delivery Plan]. 2. Local Government Reorganisation impacted our delivery to develop proposals for the current Town Hall site. Elements of this action are now included in our new strategic priorities [Corporate Performance Report]. 3. The delivery of our 2024/25 Community Safety Action Plan objectives have slipped but are expected to completed by the end of 2025 [Service Delivery Plan].
D. Determining the interventions necessary to optimise the achievement of the intended outcomes		<ol style="list-style-type: none"> 1. The Council's Strategic Priorities for the next two years have been published. 2. We've incorporated Local Government Reorganisation implications into our committee report template. 3. We've updated our cemetery lease renewals policy. 	
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it		<ol style="list-style-type: none"> 1. We've completed all appointments to our Strategic Leadership Team. 2. We've partnered with a data specialist organisation to create additional information governance capacity. 3. We recruited to our key People and Organisational Development team posts. 	<ol style="list-style-type: none"> 1. We're behind our target for long-term sickness and working on more guidance and training for managers to help address this [Corporate Performance Report]. 2. We're delivering training to staff – through Digital Champions – to help accelerate our organisational capacity related to using new software and digital processes [Service Delivery Plan].




F. Managing risks and performance through robust internal control and strong public financial management		<ol style="list-style-type: none"> 1. We set a balanced budget for 2025/26. 2. Treasury Management income has continued to exceed our targets for this year. 3. The Risk Management Strategy was reviewed and updated in November 2024. 	<ol style="list-style-type: none"> 1. There are 2 red / high risks on our Corporate Risk Register and 5 on our committee risk registers. For the most recent updates on these risks please see our Quarter 4 Corporate Performance Report [Corporate Performance Report].
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability		<ol style="list-style-type: none"> 1. Internal and External Audit, and budget monitoring reports, have reported to Audit and Scrutiny Committee throughout the year. 2. The Internal Audit Plan for 2025-26 was agreed by Audit & Scrutiny Committee. This has been set as two 6-month plans to allow for greater flexibility in the plan, enabling it to respond to changing priorities. 3. We published an updated guide for suppliers on how to do business with us. 4. We've updated our Whistleblowing policy. 	<ol style="list-style-type: none"> 1. External Audit raised concerns regarding transparency at the council. As a result, a report has been scheduled on the July 2025 meeting of Audit and Scrutiny Committee which will illustrate how the council meets its transparency obligations [Audit and Scrutiny Committee agenda – July 2025].



Seven Best Value Themes⁷



Best Value theme	Overall assessment	What’s working well	Where we can improve
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⁷ HM Government (2024) Best value standards and intervention: a statutory guide for best value authorities, Dept. for Levelling Up, Housing & Communities. Online available: <https://www.gov.uk/government/publications/best-value-standards-and-intervention-a-statutory-guide-for-best-value-authorities/best-value-standards-and-intervention-a-statutory-guide-for-best-value-authorities#best-value-powers> [last accessed 31/05/24].

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1. Continuous improvement		<ol style="list-style-type: none"> 1. CIPFA principles of good governance feature in this Statement, and we've related the latest update to this guidance. 2. Governance improvement actions are included in the final section of this Statement. 	<ol style="list-style-type: none"> 1. Local Government Reorganisation (LGR) has led us to cease our Corporate Peer Challenge Action Plan and limits our ability to achieve value for money through continuous improvement projects. However, we remain committed to delivering essential service delivery improvements and upgrades. 2. We have not arranged our councillor workshops on risk appetite, and given our risk management framework is robust and LGR has increased councillor workloads, we will abandon this action [Internal Audit Progress Reports]. 3. LGR and the cancellation our move to East Street led to slippage in the delivery of our ICT Strategy [Service Delivery Plan].
2. Leadership		<ol style="list-style-type: none"> 1. We have agreed our strategic priorities for the next two years (i.e. to LGR expected vesting day). 2. Our financial accounts audits are up to date. 3. All statutory officer posts are filled with permanent appointments. 4. Performance and risk management has been regularly reviewed by the corporate leadership team, policy committee Chairs, and Audit and Scrutiny Committee. 	<ol style="list-style-type: none"> 1. We are exploring how we contend with LGR in the context of officer development, retention and recruitment, which will be challenging [Section 4]. 2. We will enhance management capability through a new development programme [Section 4].
3. Governance		<ol style="list-style-type: none"> 1. Internal Audit assessed overall governance at the council to be "reasonable". 2. We have a risk-based internal audit plan, with regular progress reports brought to Audit and Scrutiny Committee. 	<ol style="list-style-type: none"> 1. We received a 'No Assurance' for Environmental Health – Food Hygiene. The majority of the management actions created to address the observations in this audit have been completed. However one, related to recruitment of an additional Environmental Health Officer is overdue. Yet despite pro-active recruitment campaigns, no suitably qualified candidates applied for the vacancy, which is associated with a national




		<ol style="list-style-type: none"> 3. Performance and risk information is regularly reported to the Corporate Leadership Team and councillors. 4. Key HR policies updated. 	<p>shortage of Environmental Health Practitioners and LGR headwinds. The position is filled by agency at present. The other outstanding action was not due until after the time of writing of this report – it is currently on-track [Internal Audit Progress Reports].</p> <ol style="list-style-type: none"> 2. Internal Audit raised that while the number of overdue management actions has been higher, they are concerned about the time taken to complete actions and the number of revised target dates that are being set. Hence we will continue to encourage Heads of Service to carefully consider the original target dates they set in related to other (forthcoming) priorities [Internal Audit Progress Reports]. 3. We are reviewing our cyber security response plans to see if added value can be achieved through the consolidation of existing plans [Section 4].
4. Culture		<ol style="list-style-type: none"> 1. We continue to launch new staff intranet sites, which now includes “Community” channels. 2. We have a new staff recognition scheme in place. 3. Staff turnover is on target. 4. We have implemented Team Charters showing how our teams ‘operate’ and their values. 	<ol style="list-style-type: none"> 1. We are exploring how we contend with LGR in the context of officer development, retention and recruitment, which will be challenging [Corporate Performance Report].
5. Use of resources		<ol style="list-style-type: none"> 1. Our new strategic priorities include objectives related to moving from the old part of the Town Hall to the new, completing an Asset review, a new car park strategy, and review of the future of our museum. 	<ol style="list-style-type: none"> 1. Temporary accommodation costs continue to place significant strain on our finances [Corporate Performance Report]. 2. We are looking at how we can increase our resilience with regard to our staff resources in the Place Development team [Section 4].

		<ul style="list-style-type: none"> 2. We are proactive with our treasury management investment, which provides a return that is above target. 3. We received an unqualified (i.e. favourable) opinion on 26 February 2025 regarding our 2023/24 Statement of Accounts. 	<ul style="list-style-type: none"> 3. We're developing a more suitable My Performance Conversation process for our manual workforce [Section 4].
6. Service delivery		<ul style="list-style-type: none"> 1. Service plans, including service risks and performance indicators are in place for 2025/26. 2. We submitted our Local Plan for Inspection on time. 3. We have updated our procurement documents ready for the implementation of the new Procurement Act. 4. Our service delivery key performance indicators have largely all been on track across the year. 	<ul style="list-style-type: none"> 1. We are struggling to recruit permanent officers to the Environmental Health team [Internal Audit Progress Reports, Corporate Performance Report]. 2. We still use several manual processes in the Place Development team are exploring ways to automate these [Section 4]
7. Partnerships and community engagement		<ul style="list-style-type: none"> 1. We have worked effectively with a local partners on delivering government grants and supporting refugee schemes and homelessness prevention over the year. 	<ul style="list-style-type: none"> 1. We are close to completing a new Borough Profile, which should be available in the summer of 2025/26 [Service Delivery Plan]. 2. We are developing a new governance framework that will capture all our partnerships and clearly outline their benefits. This will be completed by the end of September 2025 [Audit Action Tracker].

4. Action Plan



2023-24 Annual Governance Statement Action Plan

The table below contains the latest updates on last year's action plan. Any actions marked as complete will now be deactivated, and any in progress or delayed will continue to be tracked through to completion.

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	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	31-Mar-2024	30-Sep-2024	HR Advisor left in December leaving one vacant post. Decision to recruit an HR Administrator and delete an HR Officer post to better meet the needs of the service. All HR posts filled in April 2025 giving capacity for team to progress policy and project work.		Completed	02-May-2025
Review and enhance recruitment and retention policies and procedures for key roles across the council	31-Mar-2024	30-Sep-2025	A new HR Administrator joined on 1st April 2025. The team is now at full capacity which will enable time to focus on this project. Recruitment and retention will be a key strand of HR in light of Local Government Reorganisation. The Council is working with our partners in the Districts & Boroughs on a joint approach where possible. This action will be CARRIED FORWARD.		On track	03-Jul-2025
Review and update IT policies as necessary	31-Mar-2024	31-Dec-2025	Additional elements being considered for inclusion in policies including the secured		On track	04-Jul-2025

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
			<p>use of Artificial Intelligence (AI). Policy work is being scheduled to align with several high priority IT procurements that are currently underway,</p> <p>This action will be CARRIED FORWARD.</p>			
IT AGS action	31-Mar-2024	31-Dec-2025	<p>Update relates to IT security so cannot be disclosed. Members are requested to contact the report author outside of the committee meeting if they would like the update.</p> <p>This action will be CARRIED FORWARD.</p>	●	On track	03-Jul-2025
Document management Software - to procure new software to enhance the revenues and benefits service	31-Dec-2024	31-Dec-2024	<p>This item has been completed.</p> <p>The new system has now gone live in Revenues and Benefits. Just a couple of additional modules waiting to go live.</p>	●	Completed	11-Feb-2025
Biodiversity Net Gain - implement the Biodiversity Net Gain policy requirements	31-Jul-2024	31-Jul-2024	<p>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. Therefore, the impact of BNG has been very limited to date, and we haven't had</p>	●	Completed	04-Jul-2025

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
			to introduce any specific measures to deal with it. As such, this no longer represents a significant governance issue that the council can action. Consequently we have closed the action and will instead include it as a risk on our risk register.			
Public Protection Inspections -review resourcing in statutory Environmental Health services, including discretionary activities	31-Mar-2025	31-Mar-2025	This item has been completed.	●	Completed	11-Feb-2025
Audit and Scrutiny Committee-review the Audit and Scrutiny Committee's Terms of Reference	31-Mar-2025	28-Feb-2026	Due to LGR, the council is no longer pursuing its Corporate Peer Challenge action plan, which this action formed a part of. Therefore this action has been superseded by the council's new Strategic Priorities, and will be marked complete for this reason.	●	Completed	03-Jul-2025
Corporate Plan - produce a long-term corporate plan	31-Mar-2025	31-Mar-2025	Strategic Priorities for 25-27 approved at Full Council 6/5/25 - these will supersede old 4 year plan and proposed new 5 year plan.	●	Completed	08-May-2025
Develop a corporate record of the Council's resident engagement activities	31-Mar-2025	31-Mar-2025	This action has been completed. A report was submitted to the Community and Wellbeing Community in October	●	Completed	11-Feb-2025

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
			<p>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>			
Data Protection Officer - source additional Data Protection Officer capacity	31-Oct-2024	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>		Completed	24-Jan-2025
Councillor Training - review and enhance the councillor training and development programme	31-Mar-2025	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</p>		On track	03-Jul-2025

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
			to understand the role of committees in proper scrutiny of policy. Chief Executive to ask CFGS to run this in Oct 2025. This action will be CARRIED FORWARD.			

2024-25 Additions to the Annual Governance Statement Action Plan

Issues identified	Action to be taken	Due date
Management capability	Enhance management capability to lead through change, by delivering a new development programme.	31 March 2026
Review our cyber security response plans	Review to see if added value can be achieved through consolidation of existing plans.	31 December 2025
Staff resourcing across all teams	Review level of resilience of staff resourcing.	31 December 2025
Manual processes in Place team	Replace manual processes in the Place Development team with automation.	31 March 2026
Appeals related to the Local Plan	Review appeals related to the Local Plan to ensure they do not relate to the governance of the Plan.	30 September 2025
Corporate priorities	In light of LGR, management will consider having a focussed set of corporate priorities for the coming year / 2 years.	31 October 2025
Performance appraisals of the manual workforce	Develop a suitable My Performance Conversation process for our manual workforce.	30 September 2025

5. Executive Confirmation

The Chair of Strategy and Resources Committee and Chief Executive both recognise the importance of good governance and sound financial management. They pledge their commitment to address the matters highlighted in this AGS, and to further enhance our governance arrangements to enable delivery of our strategic priorities. Further, they confirm they have been advised of the implications of the governance review by senior management. In addition, they are assured that the Audit and Scrutiny Committee are satisfied that the steps outlined in this document will ensure that our governance arrangements remain fit for the future.

Signed on behalf of Epsom & Ewell Borough Council:

**Chair of Strategy & Resources
Committee**

Date:

Chief Executive

Date:

COMMITTEE WORK PROGRAMME – JULY 2025

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author:	Corporate Governance & Strategy 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: [Epsom and Ewell Democracy](https://democracy.epsom-ewell.gov.uk/documents/s27178/Audit%20and%20Scrutiny%20Committee%20Terms%20of%20Reference.pdf) [last accessed 03/07/2025].

2.2 Work Programme:

Meeting		Agenda
Present	17 July 2025	<ul style="list-style-type: none"> • Annual Internal Audit Conclusion 2024-2025 • Internal Audit: Progress Report • Annual Governance Statement 2024-2025 • Performance and Risk Report: 2024-25 End of Year Report • Use of Urgent Decisions Annual Report • Management Responses to the External Auditors' Report (6 February 2025)⁴ • Placeholder: External Audit Update – 2025/26 Audit Plan • Placeholder: LGO & ICO Updates– July 2025 • Local Government and Social Care Ombudsman Annual Letter 2024-2025⁵ • Work Programme
Future	30 September 2025	<ul style="list-style-type: none"> • Revenue Budget Monitoring – Quarter 1 (2025-2026) • Capital Budget Monitoring – Quarter 1 (2025-2026) • Internal Audit: Audit Plan 2025-2026 (Q3/Q4)⁶ • Revised Internal Audit Charter 2025-2026⁷ • Internal Audit Strategy⁸ • Internal Audit External Quality Assessment⁹ • Internal Audit: Progress Report • Performance & Risk Report - September 2025 • Local Government and Social Care Ombudsman Annual Letter 2024-2025¹⁰ • Placeholder: External Audit Update – 2025/26 Audit Plan • Placeholder: LGO & ICO Updates– September 2025 • Work Programme
Future	13 November 2025	<ul style="list-style-type: none"> • Revenue Budget Monitoring - Quarter 2 (2025-2026) • Capital Budget Monitoring - Quarter 2 (2025-2026) • Code of Corporate Governance Annual Review • Counter-Fraud and Whistleblowing Annual Report (inc. gifts and hospitality) • Placeholder: LCO & ICO Updates – November 2025 • Work Programme

⁴ Added by the Committee at the 27th March 2025 meeting.

⁵ Moved from the September committee as letter arrived earlier than expected.

⁶ Added at the 27th March 2025 meeting, following the introduction of a 6 monthly Internal Audit plan.

⁷ Added to reflect the change in Chief Internal Auditor and some minor amendments to reflect the new Global Internal Audit Standards.

⁸ Added as stated in the Internal Audit Charter brought to the last meeting, i.e. the Strategy is required to be reviewed and noted by committee.

⁹ Added to note SIAP's approach for the External Quality Assessment against the Global Internal Audit Standards.

¹⁰ Moved to the July committee as letter arrived earlier than expected.

Future	5 February 2026	<ul style="list-style-type: none"> Revenue Budget Monitoring – Quarter 3 (2025-2026) Capital Budget Monitoring – Quarter 3 (2025-2026) Community Safety Partnership Annual Report Equity, Diversity and Inclusion Annual Report Internal Audit: Progress Report¹¹ Performance and Risk Report – February 2026 Placeholder: External Audit Update Placeholder: LGO & ICO Updates – February 2026 Work Programme
Future	26 March 2026	<ul style="list-style-type: none"> Internal Audit: Annual Plan 2026-2027 (Q1/2) & Internal Audit Charter Internal Audit: Progress Report 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 Annual Procurement Waiver Report 2025¹² Placeholder: External Audit Update Placeholder: LGO & ICO Updates – March 2026 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

¹¹ Removed, as the Chief Internal Auditor does not believe the report adds value given the close proximity to the progress report being brought to the Committee in March 2026.

¹² Added following the 6th February 2025 meeting, and confirmed in the additional agenda addendum to the 27th March 2025 meeting: [\(Public Pack\)Information provided to Committee in advance of the Meeting Agenda Supplement for Audit and Scrutiny Committee, 27/03/2025 19:30](#) (last accessed 07/04/2025).

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: N/A

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*, 27th March 2025. Online available: [Epsom and Ewell Democracy](#) [last accessed 03/06/2025].

Other papers:

- None.

MANAGEMENT RESPONSE TO EXTERNAL AUDITOR'S REPORT

Head of Service: Cagdas Canbolat, Director of Corporate Services and Section 151 Officer (Chief Finance Officer)

Report Author Andrew Bircher

Wards affected: (All Wards);

Appendices (attached):

Summary

To present a report on the management responses to the External Auditor's recommendations as requested at the last A&S committee.

Recommendation (s)

The Committee is asked to:

- (1) Receive the report.

1 Reason for Recommendation

- 1.1 No action is proposed as a result of this report and so it is therefore only to note.

2 Background

- 2.1 At the February meeting of the A&S committee, there were concerns raised regarding the findings around the performance and culture of the Council, and some in the Committee felt that the responses provided by the Council's Strategic Leadership Team to the External Auditor's recommendations and findings needed further information.
- 2.2 In the March meeting an amendment to the work programme was proposed, with the addition of a new agenda item to the July 2025 Committee Meeting. This is detailed in the draft minutes as;

'To request a report from SLT explaining management responses to External Auditors as reported to the Committee in February 2025'

3 Body of report

- 3.1 In the February meeting the committee received, as normal, the external auditor's report for the 23/24 accounts. They proposed an unqualified opinion (favourable), but highlighted the concerns raised by some members during the LGA Peer Review, with the following narrative:

3.1.1 In March 2024, the LGA Peer Review listed decision making in general as an area that needs to improve. The Review referred to "universal frustration and confusion around the lack of transparency through the decision-making process" and stated that "Some members described a 'culture of secrecy' due to the overuse of pink papers and 'too many decisions being made under part 2 as a media management strategy'. The LGA Peer Review concluded that there is "an immediate need to make it clear and transparent how decisions are made in a committee system at the council and ensure this is communicated to all staff and members to avoid further frustration and confusion". From our own testing, we identified an update to the constitution and scheme of delegation that was not fully discussed in public meetings and not fully transparent recommendations under their heading value for money

- 3.2 The auditor's recommendation to the council was as follows:

3.2.1 The Council should develop a clear approach towards transparency. The Council should be mindful of requirements to be open and accountable.

- 3.3 The published management (SLT) response to the auditor's comment was as follows (extract from the auditor's report):

3.3.1 SLT believe the Council is transparent in its reporting and through Committees. The issue referred to was one which was subject to advice and was not suitable for public discussion. The rationale for all items that are part 2 items is explained in the public documents, and a vote is taken at committee to move into a part 2 meeting.

- 3.4 The external auditor will revisit all recommendations from the audit in question in its next audit of the council.

4 Expanded management commentary on the auditor's findings

- 4.1 Along with all elected members, the management team of the council understand and promote the need for transparency and openness in the Council's decision making and will push to ensure this is observed wherever possible. There are a number of actions that are recognised as best practice which support a transparent decision-making processes, which we adhere to:

- 4.1.1 Publish details of when key decisions will be taken, meeting papers at least five working days beforehand, and minutes showing the decisions made. This ensures that the public can follow and understand the decision-making process.
- 4.1.2 Have robust overview and scrutiny arrangements. We have an active Audit committee and a committee system which provides opportunity for full scrutiny of decision making, all of which are politically balanced.
- 4.1.3 Encourage public participation by making meeting agendas, minutes, and reports accessible on their websites. Most council meetings are open to the public, fostering transparency unless there is a robust reason for exempt papers which cannot be discussed in a public forum.
- 4.1.4 Have in place good assurance mechanisms, such as our annual governance statement, internal and external audit functions.
- 4.2 Whilst we do not fully agree with the external audit comments they serve as a useful challenge to ensure that transparency is kept in the forefront of our minds and taken seriously. By way of response below are a number of considerations and actions that we take as a council and a leadership team:
 - 4.2.1 We recognise that certain issues have to be discussed by policy committees in confidence or need urgent decisions. In order to avoid prejudicing the council by leaving it open to legal challenge (e.g. if a third party sought damages from the council if it were to reveal commercially sensitive information about them in a public meeting) there is sometimes a need to have private conversations. Legislation exists to allow this to happen. The numbers of decision items that are taken as exempt papers is limited and only done where there is no other option. We strive to enable papers to be part public and part exempt and in some meetings although there may be exempt papers (as an appendix for example), they are not referred to and the meeting can remain in open session (but councillors have had the information they need in order to reach a decision).
 - 4.2.2 Whenever an item is to be discussed in confidence at committee, the reasons for doing so are made clear in the published public papers, in line with legislation, and a vote taken by members of the committee to move into a private section of the meeting. Any proposed exempt items are first scrutinised by the Legal team to ensure that the rationale is valid. Management believe that Councillors are generally supportive of this approach given that in recent times there has not been any instance where members have voted to remain in the public session (to discuss confidential papers in public) and not move into a private part of the meeting.

- 4.2.3 Another area where we need to be mindful of transparency requirements is the subject of urgent decisions taken outside of committee. As a management team we try to limit these where possible and timetable decisions so they can come to committee or arrange extraordinary meetings to facilitate member involvement. However, some issues cannot be decided this way due to time constraints and there is provision in our Constitution to deal with those (they are normally matters where a decision is required urgently and it is not practical to call a meeting of the relevant committee, and there is not one scheduled in good time). These decisions are taken in consultation with the committee chair, published in Members' news, and reported to the next scheduled committee. An annual report is also brought to A&S on all urgent decisions and this is presented in a public document.
- 4.2.4 It should also be noted that we operate a committee system of governance rather than a cabinet system, which is an inherently more inclusive and transparent way of making decisions in the public domain.
- 4.2.5 When commenting on transparency, the external auditor reported on the findings of the LGA peer review. The example given around governance was one that was fully discussed by elected members at Full Council, and in management's view, was an exempt item for sound legal reasons. Councillors had agreed, in voting to discuss the matter as an exempt item, that they were happy to do so. We respect the right of the external auditor to make their comment, but do not see how this matter could have been dealt with any other way given the sensitive subject matter.
- 4.2.6 We have recently had an audit carried out on our decision making and accountability by our internal auditor, which will be reported to A&S in due course, which found that the council had a reasonable level of assurance.
- 4.3 The council, both members and officers, will continue to promote transparency, and openness of decision making and will discuss with the external auditor whether there are additional measures that we can implement to improve our performance in this area. In any event, this will then be an issue that the auditor will revisit when they carry out the subsequent year's audit.

5 Legal or other duties

5.1 Equality Impact Assessment

- 5.1.1 Not required for this report

5.2 Crime & Disorder

- 5.2.1 No issues arise from this report

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 None.

6.2 **Section 151 Officer's comments:** No direct financial impact from the outcome of this report.

7 Legal Implications

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

8 Policies, Plans & Partnerships

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

- Delivering value for money

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

8.3 **Climate & Environmental Impact of recommendations** No issues

8.4 **Sustainability Policy & Community Safety Implications:** None

8.5 **Partnerships:** None

8.6 **Local Government Reorganisation Implications:** none

9 Background papers

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

Previous reports:

- [External Audit Update – February 2025](#)
 - [Appendix 1 – External Auditors Annual Audit Findings \(AFR\) for the year ending 31 March 2024](#)
 - [Appendix 2 – 2023/24 Statement of Accounts](#)

- [Appendix 3 – Letter of Representation \(Grant Thornton\)](#)
- [Appendix 4 – External Auditors Annual Report \(VfM\) for the year ended 31 March 2024](#)

Other papers:

- [A&S Minutes – February 2025](#)
- [A&S Draft Minutes – March 2025](#)

EXTERNAL AUDIT UPDATE – 2024-25 AUDIT PLAN

Head of Service:	Cagdas Canbolat, 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 – External Audit Plan 2024/25

Summary

This report presents the External Audit Plan for 2024/25. In accordance with audit regulations, it must be presented to Committee.

Recommendation (s)

The Committee is asked to:


- (1) Receive and note the External Audit Plan for 2024/25 as set out in Appendix 1 and acknowledge that the S151 Officer is satisfied with the details of the scope of the audit.**

1 Reason for Recommendation

- 1.1 The annual audit is an integral part of the controls in place for ensuring that the Council achieves its key priority of being an Effective Council.

2 Background

- 2.1 Grant Thornton provides the Council's external audit work. The 2023/24 external audit provided the Council with an unqualified (favourable) opinion on the accounts. Audit and Scrutiny Committee received Grant Thornton's 2023/24 Annual Auditors' Report in February 2025.
- 2.2 The Council published its unaudited 2024/25 Statement of Accounts on 11 July 2025 (TBC).
- 2.3 LG Improve has released a table showing the number of local authorities who have published 2023/24 audited accounts and draft accounts for 2024/25. This is shown below:

 Published Accounts Tracker									
	2023/24				Percentage		2024/25		
	Not published	Draft	Final	Disclaimer	Published	Finalised	Not Published	Draft Published	Percentage Published
ILB	0	0	8	4	100%	100%	11	1	9%
OLB	0	4	3	13	100%	80%	20	0	0%
Met	1	1	19	15	97%	94%	34	2	6%
Unitary	1	6	25	30	98%	89%	56	6	11%
County	0	0	11	10	100%	100%	20	1	5%
Upper Tier	2	11	66	72	99%	91%	141	10	7%
Districts	2	12	52	98	99%	91%	153	11	7%
Total England	4	23	118	170	99%	91%	294	21	7%
Information as at 12 June 2025									

3 Proposals

- 3.1 Grant Thornton has prepared an audit plan for the 2024/25 Statement of Accounts as shown in Appendix 1.
- 3.2 The plan outlines the key risks and requirements for 2024/25 and will be presented by a senior officer from Grant Thornton, who will be available at the meeting to answer any questions from Members.
- 3.3 Officers are satisfied that the audit plan addresses the key financial and governance issues.
- 3.4 The Committee is asked to receive the External Audit Plan for 2024/25 (Appendix 1).
- 3.5 Owing principally to the audit backlog in the wider sector (i.e. not at EEBC), Grant Thornton expects to undertake 2024/25's audit between September to November 2025, with the final audit report to be presented to Audit & Scrutiny Committee in February 2026.
- 3.6 Grant Thornton will undertake the external audit in accordance with International Standards on Auditing (ISAs). Under ISA240 guidance, Grant Thornton submitted a number of audit queries to management, to inform its risk assessment for the audit.

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 The audit of the Council's financial statements comprise a key element of the Council's governance arrangements.

5 Financial Implications

5.1 The main audit fee for 2023/24's Statement of Accounts was £152,455, plus an additional £20,000 was incurred due to the protracted audit period last year, taking 2023/24's total fees to £172,455 (£72,548 in 2023/24).

5.2 For EEBC, the 2024/25 audit scale fee is expected to be £169,922 which has been fully budgeted. It is expected that there will be a further fee relating to additional work related to the implementation of IFRS16, but this has yet to be determined.

5.3 **Section 151 Officer's comments:** The Council received an unqualified (favourable) opinion on its Statement of Accounts from the external auditor for 2023/24. The External Audit Plan for 2024/25 forms part of the external audit process and a necessary requirement to ensure auditors have a schedule plan to assess council accounts and express an opinion.

6 Legal Implications

6.1 The Local Audit and Accountability Act 2014 sets out the framework for audit of local authorities. Grant Thornton's work is undertaken in the context of the Statement of Responsibilities of Auditors and Audit Bodies issued by the Comptroller and Auditor General.

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:

- Effective Council.

7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

7.3 Climate & Environmental Impact of recommendations: No specific implications.

7.4 **Sustainability Policy & Community Safety Implications:** No specific implications.

7.5 **Partnerships:** No specific implications.

7.6 **Local Government Reorganisation Implications:** No specific implications.

8 Background papers

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

Previous reports:

- [External Audit Update – Audit and Scrutiny Committee, 6 February 2025.](#)

Other papers:

- 2024/25 Unaudited Statement of Accounts (<https://epsom-ewell.gov.uk/financialreports>)

The Indicative Audit Plan for Epsom and Ewell Borough Council

Year ending 31 March 2025

April 2025



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01 Key developments impacting our audit approach

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Local Government Reorganisation

External factors

English Devolution White Paper

On 16 December 2024 , the Secretary of State for Housing, Communities and Local Government, Angela Rayner, Presented to Parliament the English Devolution White Paper.

The White Paper sets out the direction of travel for the devolution of power across England. Devolution is seen by the government as being fundamental in achieving the change the public expect and deserve. The government’s aim is for devolution to promote growth, a joined-up delivery of public services, and politics being done with communities, not to them. England is one of the most centralised countries in the developed world. The goal is universal coverage of strategic authorities in England.

Strategic authorities will be a combination of pre-existing Combined Authorities and Mayoral Strategic Authorities (MSAs). They will be funded through an integrated settlement which can be used by the Authority across housing, regeneration, local growth, local transport, retrofit, skills and employment support. This removes the complexity of numerous grants, conditions and reporting requirements, simplifying it into a single mutually agreed outcomes framework monitored over a supply review period. In combination with this Mayors will be given more control over the devolution of transport, skills & employment support, housing and planning, environment and climate change, supporting business and research, reforming and joining up public services.

The government plans to facilitate a programme of local government reorganisation for 2-tier areas across England. It will also facilitate the reorganisation of unitary councils where there is evidence of failure, or where their size and/or boundaries are a hinderance to local decision making. This will be done in a phased approach and for most will mean creating councils serving a population of 500 000 or more. Along with devolution government wants to reset its relationship with local government, end micro-management and enable local governments through multi-year settlements.

The next steps are:

- A widening and deepening of devolution, expanding on the 2 new Mayors and 6 non-mayoral devolutions already noted in the white paper, with a priority programme for those with plans ready for action;
- An invitation from all remaining 2-tier areas and unitary councils where appropriate, to submit proposals for local reorganisation;
- And re-committing to the English Devolution Bill by putting the devolution framework into statute and moving to a systematic approach that ensures local leaders have the powers they need.

Update

Surrey was not named by the government on 5 February 2025 as one of the six areas accepted onto the Devolution Priority Programme, however the government have stressed the 'urgency of creating sustainable unitary local government in Surrey', postponing the planned county elections in May 2025 to help 'speed up reorganisation and deliver the local ambitions for devolution with the benefits it will bring.'

Across Surrey all services would still be provided, but by newly formed unitary authorities, rather than the 11 district and borough councils and the county council. The details of this are yet to be determined. The new boundaries in Surrey are still to be agreed between the current county and district/borough councils and central government. The geographical split of the areas served by the new unitary authorities, along with how many there will be, remains to be confirmed - however it is likely to be made up of two or three unitary authorities.

The reorganisation process is expected to progress quickly. The next key milestone is the submission of an interim plan by 21 March 2025, outlining the nature and geography of any proposed devolved area, after which officials will provide feedback to support the development of the final proposals. The full and final proposal is set to be submitted by 9 May 2025. If approved, elections for the new unitary councils will be held in 2026 with new unitary authorities established by April 2027.

Local Audit Reform

External factors

Proposals for an overhaul of the local audit system

On 18 December 2024, the Minister of State for Local Government and English Devolution, Jim McMahon OBE, wrote to local authority leaders and local audit firms to announce the launch of a strategy to overhaul the local audit system in England. The proposals were also laid in Parliament via a Written Ministerial Statement.

The government’s strategy paper sets out its intention to streamline and simplify the local audit system, bringing as many audit functions as possible into one place and also offering insights drawn from audits. A new Local Audit Office will be established, with responsibilities for:

- Coordinating the system – including leading the local audit system and championing auditors’ statutory reporting powers;
- Contract management, procurement, commissioning and appointment of auditors to all eligible bodies;
- Setting the Code of Audit Practice;
- Oversight of the quality regulatory framework (inspection, enforcement and supervision) and professional bodies;
- Reporting, insights and guidance including the collation of reports made by auditors, national insights of local audit issues and guidance on the eligibility of auditors.

The Minister also advised that, building on the recommendations of Redmond, Kingman and others, the government will ensure the core underpinnings of the local audit system are fit for purpose. The strategy therefore includes a range of other measures, including:

- setting out the vision and key principles for the local audit system;
- committing to a review of the purpose and users of local accounts and audit and ensuring local accounts are fit for purpose, proportionate and relevant to account users;
- enhancing capacity and capability in the sector;
- strengthening relationships at all levels between local bodies and auditors to aid early warning system; and
- increased focus on the support auditors and local bodies need to rebuild assurance following the clearing of the local audit backlog.

Our Response

Grant Thornton welcomes the proposals, which we believe are much needed, and are essential to restore trust and credibility to the sector. For our part, we are proud to have signed 83% of our 2022/23 local government audit opinions without having to apply the local authority backstop. This compares with an average of less than 30% sign off for other firms in the market. We will be keen to work with the MHCLG, with existing sector leaders and with the Local Audit Office as it is established to support a smooth transition to the new arrangements.

Key developments impacting our audit approach

National Position

Local governments face many challenges, the pandemic along with the cost of living crisis has left local governments with economic, social, and health challenges to address:

Staffing: A key challenge facing councils in maintaining service sustainability is the growing difficulties in relation to workforce recruitment and retention. Councils struggle to attract and retain qualified staff, especially younger talent. Many councils have outdated recruitment processes and are heavily reliant on agency staff.

Climate change: As the impacts of climate change become increasingly evident, local government plays a pivotal role in mitigating and adapting to these changes. The UK's targets for achieving net zero carbon emissions and local authority pledges must align into cohesive policies with common goals. This includes ongoing local economy investment in renewable energy, promoting sustainable transportation and implementing measures to enhance resilience against extreme weather events.

Housing crisis: The shortage of affordable housing continues to be an issue. There aren't enough social rented homes to meet demand and it's difficult to find land for new housing developments. New requirements around net zero and other environmental considerations make it more complex to get planning permission. Local authorities therefore face the challenge of providing adequate housing while balancing environmental sustainability and statutory planning requirements.

Funding : Local governments face many challenges in securing funding, including declining grant income, slow tax revenue growth, and rising demand for services. These challenges can make it difficult for local government to balance their budgets, assess their revenue base, enforce taxes, and prevent tax evasion. Social care costs, maintaining aging infrastructure, SEND and homelessness are driving up council spending and cuts to discretionary services impact local communities. Strained budgets are making it challenging to fund essential services, infrastructure projects and the ongoing stream of section 114 notices will not come as a surprise this year.

Digital Transformation : The fast pace of technological advancement poses both opportunities and challenges for local government. The adoption of digital tools and platforms is crucial for improving service delivery, enhancing communication and streamlining administrative processes. However, many communities still lack access or ability to navigate essential technology which creates a digital divide. Local government needs to ensure inclusivity in its digital strategies, addressing disparities and ensuring all residents can benefit from the opportunities technology offers.

Cybersecurity: Local government needs to protect against malware and ransomware attacks. They also need to navigate central government policy shifts and constraints. With increased reliance on digital platforms, they become more vulnerable to cyber threats. Safeguarding sensitive data and ensuring the integrity of critical systems are paramount and local authorities must invest in robust cybersecurity measures, employee training and contingency plans to protect themselves.

Our Response

Building and maintaining public trust is arguably the cornerstone of effective governance. Local government must prioritise transparency, open communication and meaningful public engagement to foster positivity within communities.

Despite councils' best efforts, financial pressures are affecting the scale, range and quality of council services provided to local residents. Ultimately spending is increasingly concentrated on fewer people, so councils are less able to support local and national agendas on key issues such as housing, economic growth, and climate change.

Sound strategic financial management, collaboration with other levels of government and exploring alternative funding sources are vital for local authorities to overcome financial constraints and deliver quality services.

Our value for money audit work continues to identify significant weaknesses in all criteria of the Code of Audit Practice. This shows that local authorities are facing increasing pressure to provide services while managing change and reducing costs. We understand that the environment in which our audited bodies operate is dynamic and challenging and this understanding allows us to have insightful conversations and adapt our approach to delivering our audit work accordingly.

We know the difficulties and challenges faced within our Local Authority bodies and know there is a focus on improving quality and reducing costs. We will work with you as you strive to deliver these aims.

Key developments impacting our audit approach

Local Context

Challenges of Local Government Reorganisation (LGR)

Although the development of reorganisation proposals are strategic, they may impact local decision-making before the formal reorganisation. Concerns arise regarding existing bodies potentially repurposing reserves, built up for specific projects, to cover overspending by successor entities. This creates an incentive for these bodies to deplete reserves before the merger to ensure funds are used as originally intended. Similarly, balances like the Community Infrastructure Levy may also be at risk of being redirected to unintended purposes in successor bodies.

To ensure appropriate decision-making during this period; councils should consider the following questions: Are earmarked reserves being used as intended? For projects extending beyond the Local Government Reorganisation (LGR) timeframe, can decision-making withstand scrutiny? Have local residents been consulted to align development plans with local needs? Are reserve balances maintained at a prudent level, considering that LGR does not exempt key staff from their statutory responsibilities?

Our Response

Auditors will scrutinize key decisions to identify any potential misuse of funds as part of their Value for Money assessments and may use statutory powers if warranted.

New accounting standards and reporting developments

- Local authorities will need to implement IFRS 16 Leases from 1 April 2024. The main difference from IAS 17 will be that leases previously assessed as operating leases by lessees will need to be accounted for on balance sheet as a liability and associated right of use asset. More information can be found on page 10.
- The FRC issued revisions to ISA (UK) 600 ‘Audits of group financial statements (including the work of component auditors)’. The revised standard includes new and revised requirements that better aligns the standard with recently revised standards such as ISQM 1, ISA 220 (Revised) and ISA 315 (Revised 2019). The new and revised requirements strengthen the auditor’s responsibilities related to professional scepticism, planning and performing a group audit, two-way communications between the group auditor and component auditor, and documentation.

We will perform a detailed review of the Authority’s implementation of IFRS 16 including procedures to ensure the completeness of its consideration of leases.

We will carry out additional procedures to comply with the revised standards in respect of our Group audit work.

Key developments impacting our audit approach (continued)

Our commitments

- As a firm, we are absolutely committed to audit quality and financial reporting in local government. Our proposed work and fee, as set out further in this Audit Plan, is that set out by the PSAA contracted scale fees for 2024/25,
 - We would like to offer a formal meeting with the Chief Executive twice a year, and with the Director of Finance quarterly as part of our commitment to keep you fully informed on the progress of the audit.
 - At an appropriate point within the audit, we would also like to meet informally with the Chair of your Audit and Scrutiny Committee, to brief them on the status and progress of the audit work to date.
- Our Value for Money work will continue to consider the arrangements in place for you to secure economy, efficiency and effectiveness in the use of your resources.
- We will continue to provide you and your Audit and Scrutiny Committee with sector updates providing our insight on issues from a range of sources via our Audit and Scrutiny Committee updates.
- We hold annual free financial reporting workshops for our audited bodies to access the latest technical guidance and interpretation, discuss issues with our experts and create networking links with other clients to support consistent and accurate financial reporting across the sector. This took place in March and we are pleased to confirm the Council's finance team attended the session.



IFRS 16 Leases



Summary

IFRS 16 Leases is now mandatory for all Local Government (LG) bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Introduction

IFRS 16 updates the definition of a lease to:

- “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.” In the public sector the definition of a lease is expanded to include arrangements with nil consideration.

This means that arrangements for the use of assets for little or no consideration (sometimes referred to as peppercorn rentals) are now included within the definition of a lease.

IFRS 16 requires all leases to be accounted for 'on balance sheet' by the lessee (subject to the exemptions below), a major change from the requirements of IAS 17 in respect of operating leases.

There are however the following exceptions:

- leases of low value assets (optional for LG)
- short-term leases (less than 12 months).

Lessor accounting is substantially unchanged leading to asymmetry of approach for some leases (operating). However, if an LG body is an intermediary lessor, there is a change in that the judgement, as to whether the lease out is an operating or finance lease, is made with reference to the right of use asset rather than the underlying asset. The principles of IFRS 16 will also apply to the accounting for PFI assets and liabilities.

Systems and processes

We believe that most LG Bodies will need to reflect the effect of IFRS 16 changes in the following areas:

- accounting policies and disclosures
- application of judgment and estimation
- related internal controls that will require updating, if not overhauling, to reflect changes in accounting policies and processes
- systems to capture the process and maintain new lease data and for ongoing maintenance
- accounting for what were operating leases
- identification of peppercorn rentals and recognising these as leases under IFRS 16 as appropriate

Planning enquiries

We have conducted an initial review of the Council's arrangements for implementing IFRS 16. Additional procedures which are in progress include assessing the Council's readiness for the new standard and the expected impact on the Opening Balances.

02 Introduction and Headlines

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Introduction and headlines



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Purpose

- This document provides an overview of the planned scope and timing of the statutory audit of Epsom and Ewell Borough Council ('the Council') for those charged with governance.

Respective responsibilities

- The National Audit Office ('the NAO') has issued the Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Epsom and Ewell Borough Council. We draw your attention to these documents.

Indicative Audit Plan

This Plan is an Indicative Audit plan which reflects not all planning procedures have been completed. The procedures that are currently in progress include:

- final reviews of our assessment and the consideration of how ISA 600 affects our audit strategy for the Council's Group accounts,
- review of the planning inquiry responses received from management and confirming these responses with Those Charged with Governance, and
- complete our initial assessment of your IFRS 16 arrangements.

We also are awaiting information from management in the following areas:

- information regarding the IT controls and the completion of our cyber security queries for the year, and

- responses from legal officers regarding standard queries we raise regarding potential provisions and other legal matters that could impact our audit approach.

The work we have completed has allowed us to finish the majority of our planning activities earlier than in the previous year. This will position us more strongly to begin the year-end audit. Moving forward, we will continue to work with Management on bringing forward our planning and interim testing to ensure that all planning procedures are completed by the end of April.

Scope of our Audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Council's and Group's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Scrutiny Committee); and we consider whether there are sufficient arrangements in place at the Council for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that arrangements are in place to use resources efficiently in order to maximise the outcomes that can be achieved as defined by the Code of Audit Practice.

The audit of the financial statements does not relieve management or the Audit and Scrutiny Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities. Our audit approach is based on a thorough understanding of the Council's business and is risk based.

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Introduction and headlines (continued)



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Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of control
- Valuation of Property Assets including Other land and Buildings and investment property
- Valuation of Defined Benefit Pensions Liability

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Group Audit

The Council is required to prepare group financial statements that consolidate the financial information of Epsom and Ewell Property Investment Company (EEPIC) which is 100% owned by the Council. The company was primarily established to invest in high-quality commercial properties located outside of the Borough, with the goal of generating rental yields for the Council.

Materiality

We have determined planning materiality to be £1,300k (PY £1,040k for the Group, which equates to 2.5% of your prior year gross operating costs for the year. For the Council we have determined the planning materiality to be £1,235k (PY 975k).

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £62k for the Group and the Council (PY £52k).

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has identified the following risks of significant weakness:

- Our 2023/24 Annual Audit Report raised the following Key Recommendation. "The Council should develop a clear approach towards transparency. The Council should be mindful of requirements to be open and accountable." The need for action in relation to transparency was also highlighted the LGA Peer Review of March 2024. To assess the Council's arrangements to strengthen transparency in decision making, we will follow up with a review of documentation and discussion with key officers. We will continue to monitor and update our risk assessment and responses until we issue our Auditor's Annual Report.

Audit logistics

Our planning audit has taken place in March and April our planning work is substantially complete subject to the satisfactory conclusion of the ongoing matters referred to on slide 11. Our final visit will take place between September to December 2025. We will also undertake early sample selection in July/August. Our key deliverables are this Audit Plan, our Audit Findings Report, our Auditor's Report and Auditor's Annual Report.

Our proposed fee for the audit is £169,922 (PY: £152,455) for the Council, this does not include the impact of additional work required on IFRS 16 and is subject to the Council delivering a good set of financial statements and working papers and no significant new financial reporting matters arising that require additional time and/or specialist input.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2024) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

03 Identified risks

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Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Risk relates to	Audit team’s assessment	Planned audit procedures
Management override of controls	Council	<p>Under ISA 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities. The Authority faces external scrutiny of its spending, and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk.</p>	<p>We will:</p> <ul style="list-style-type: none">• Evaluate the design effectiveness of management controls over journals;• Analyse the journals listing and determine the criteria for selecting high risk unusual journals;• Test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration;• Gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and• Evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

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“In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgment, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK).” (ISA (UK) 315).

In making the review of unusual significant transactions “the auditor shall treat identified significant related party transactions outside the entity’s normal course of business as giving rise to significant risks.” (ISA (UK) 550).

Management should expect engagement teams to challenge them in areas that are complex, significant or highly judgmental which may be the case for accounting estimates, going concern, related parties and similar areas. Management should also expect to provide engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management’s assumptions and request evidence to support those assumptions.

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Significant risks identified (continued)

Significant risk	Risk relates to	Audit team’s assessment	Planned audit procedures
Valuation of Property assets including – Other Land and Buildings- £62 million and Investment Properties- Group- £115 million Council- £64 million	Group and Council	<p>The Council revalues high value Other Land and buildings on an annual basis and the remainder of assets on a rolling five-yearly basis. The Council as required by the Code has all Investment properties revalued on an annual basis.</p> <p>The valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>We therefore identified valuation Property assets including Investment Properties and Other Land and buildings, particularly revaluations and impairments, as a significant risk.</p> <p>The significant risk relates to the complexity of the valuation and is pinpointed to the key inputs and assumptions underlying the valuations including land values, build cost indices, gross internal areas, obsolescence, rental values, vacancy rates and yields.</p>	<p>We will:</p> <ul style="list-style-type: none"> Evaluate management’s processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; Evaluate the competence, capabilities and objectivity of the valuation expert; Write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirement of the Code are met and discuss this basis where there are any departures from the Code; Challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding; Complete analytical procedures on the valuation report, with reference to external market data, to identify those assets at greater risk of material misstatement. Assess how management have challenged the valuations produced by the professional valuer to assure themselves that these represent the materially correct current value; Test revaluations made during the year to see if they are input correctly into the Authority’s asset register; and Evaluate the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.
Valuation of the pension fund net liability - assumptions applied by the professional actuary in their calculation	Council	<p>The Council's pension fund net liability, as reflected in its balance sheet as the net liability on defined pension scheme, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to its value in the Authority’s balance sheet and the sensitivity of the estimates to changes in key assumptions.</p> <p>We therefore identified valuation of the Council’s pension fund net liability as a significant risk. We have pinpointed this significant risk to the assumptions applied by the professional actuary in their calculation of the net liability.</p>	<p>We will:</p> <ul style="list-style-type: none"> Update our understanding of the processes and controls put in place by management to ensure that the Authority’s pension fund net liability is not materially misstated and evaluate the design of the associated controls; Assess the competence, capabilities and objectivity of the actuary who carried out the Authority’s pension fund valuation; Assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability; Test the consistency of pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; Review the Council and the actuary's assessment of IFRIC 14 and test its reasonableness in relation to if any adjustments are required. Undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor’s expert) and performing any additional procedures suggested within the report; and Obtain assurances from the auditor of Surrey Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.


Significant risks identified (continued)

Significant risk	Risk relates to	Audit team’s assessment	Planned audit procedures
The revenue cycle includes fraudulent transactions	Group and Council	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. We have considered all revenue streams of the Council, and we have rebutted this risk for all revenue streams.</p> <p>For revenue streams that are derived from Council Tax, Business Rates and Grants we have rebutted this risk on the basis that they are income streams primarily derived from grants or formula-based income from central government and taxpayers and that opportunities to manipulate the recognition of these income streams is very limited.</p> <p>For other revenue streams, we have identified from our experiences as your auditor and through our understanding of your business processed around revenue recognition that the risk of fraud arising from revenue recognition could be rebutted, because:</p> <ul style="list-style-type: none">- There is little incentive to manipulate revenue recognition;- Opportunities to manipulate revenue recognition are very limited;- The culture and ethical frameworks of local authorities, including Epsom and Ewell Borough Council, mean that all forms of fraud are seen as unacceptable. <p>We do not consider this to be a significant risk for the Group and Council.</p>	<p>We do not consider this to be a significant risk and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate. We will:</p> <ul style="list-style-type: none">• Evaluate the Council’s accounting policy for recognition of income for appropriateness and compliance with the Code;• Update our understanding of the system for accounting for the income and evaluate the design of associated processes and controls;• Agree on a sample basis relevant income and year end receivable/income accruals to invoices, loans and lease agreements and cash payment or other supporting evidence; and• We will carry out testing on sample basis of invoices issued and cash received in the period prior to and following 31 March 2025 to determine whether income is recognised in the correct accounting period, in accordance with the amounts billed to the corresponding parties.
The expenditure cycle includes fraudulent transactions	Group and Council	<p>Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.</p> <p>We have completed a risk assessment of all expenditure streams for the Group. We have considered each material expenditure area, and the control environment. We have concluded that there is no significant risk as:</p> <ul style="list-style-type: none">• The control environment around expenditure recognition (understood through our documented risk assessment and understanding of your business processes) is considered to be strong; and• We have not found significant issues, errors or fraud in expenditure recognition in the prior year audits.	<p>We do not consider this to be a significant risk and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate. We will:</p> <ul style="list-style-type: none">• Evaluate the Council’s accounting policy for recognition of expenditure for appropriateness and compliance with the Code;• Update our understanding of the system for accounting for the expenditure and evaluate the design of associated processes and controls;• Agree on a sample basis relevant expenditure and year end payable and accruals to invoices or other supporting evidence; and• We will carry out testing on a sample basis of invoices received and paid in the period prior to and following 31 March 2025 to determine whether expenditure is recognised in the correct accounting period, in accordance with the amounts billed to the corresponding parties.

Other risks identified

Other risks are, in the auditor’s judgement, those where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for another risk is lower than that for a significant risk, and they are not considered to be areas that are highly judgemental, or unusual in relation to the day-to-day activities of the business.

Risk	Description	Planned audit procedures
Implementation of IFRS 16	<p>The CIFPA Code of practice on Local Government Accounting requires authorities to apply the new leasing standard IFRS 16 from 1 April 2024.</p> <p>Under the new standard the current distinction between operating and finance leases is removed for lessees and, subject to certain exceptions, lessees will recognise all leases on their balance sheet as a right of use asset and a liability to make the lease payments.</p> <p>There is a risk that the Council’s processes do not capture all the arrangements that convey the right to use an asset, resulting in a failure to correctly account for the new leasing standard IFRS16.</p> <p>Until we see the full impact of this new standard on the financial statements and the complexity of the judgements made in the standards implementation we are not able to determine if this is a significant risk. Presently based on our review of the prior year lease disclosure we consider it most likely this will be an “other risk” and does not pose a significant risk of misstatement to the financial statements. We will keep this assessment under review throughout the audit to ensure this judgement remains appropriate.</p>	<p>We will:</p> <ul style="list-style-type: none">• Evaluate the Council’s processes to identify all arrangements conveying the use of an asset to assess the impact of IFRS16 on the 2024/25 financial statements.• Check that the impact on assets, liabilities, reserves and income and expenditure has been appropriately recorded within the financial statements.• Assess the completeness of the disclosures made in the 2024/25 financial statements with reference to the 2024/25 CIFPA Code of practice on Local Government Accounting.



“The auditor determines whether there are any risks of material misstatement at the assertion level for which it is not possible to obtain sufficient appropriate audit evidence through substantive procedures alone. The auditor is required, in accordance with ISA (UK) 330 (Revised July 2017), to design and perform tests of controls that address such risks of material misstatement when substantive procedures alone do not provide sufficient appropriate audit evidence at the assertion level. As a result, when such controls exist that address these risks, they are required to be identified and evaluated.” (ISA (UK) 315)

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Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Council.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.

We consider our other duties under legislation and the Code, as and when required, including:

- giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements;
- issuing a report in the public interest or written recommendations to the Council under section 24 of the Local Audit and Accountability Act 2014 (the Act);
- application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act;
- issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

04 Group Audit

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Group audit scope and risk assessment

In accordance with ISA (UK) 600 Revised, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component	Risk of material misstatement to the group	Planned audit approach and level of response required under ISA (UK) 600 Revised	Response performed by	Risks identified
Epsom and Ewell Property Investment Company (EEPIC).	Yes	Specific audit procedures and Analytical procedures at group level	Group auditor- Grant Thornton	Significant risk – Investment properties. Other areas of focus- Cash and cash equivalents, Investment property trading account, Debtors and Creditors.
Epsom and Ewell Borough Council	Yes	Full audit procedures of Council financial statements.	Group auditor- Grant Thornton	See risks noted slides 14-18.

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Involvement in the work of component auditors

In relation to our work, we do not plan to place reliance on the Component external auditor's work. We will therefore seek to undertake specific procedures on the balances mentioned above.

Fraud and litigation

We have not been made aware of any actual or attempted frauds in the year during our planning procedures performed to date. Should any factors arise in relation to fraud risk or actual or attempted fraud we ask that you inform us of this at the earliest possible opportunity.

05 Our approach to materiality

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Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
01	Determination We have determined planning materiality (financial statement materiality for the planning stage of the audit) based on professional judgement in the context of our knowledge of the Council and Group, including consideration of factors such as stakeholder expectations, industry developments, financial stability and reporting requirements for the financial statements	<ul style="list-style-type: none">We determine planning materiality in order to:<ul style="list-style-type: none">establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statementsassist in establishing the scope of our audit engagement and audit testsdetermine sample sizes andassist in evaluating the effect of known and likely misstatements in the financial statements
02	Other factors An item does not necessarily have to be large to be considered to have a material effect on the financial statements	<ul style="list-style-type: none">An item may be considered to be material by nature when it relates to:<ul style="list-style-type: none">instances where greater precision is required
03	Reassessment of materiality Our assessment of materiality is kept under review throughout the audit process	<ul style="list-style-type: none">We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality
04	Matters we will report to the Audit and Scrutiny Committee Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit and Scrutiny Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.	<ul style="list-style-type: none">We report to the Audit and Scrutiny Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.In the context of the Council and Group, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £62,000.If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Scrutiny Committee to assist it in fulfilling its governance responsibilities.

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

	Amount (£)	Qualitative factors considered
Materiality for the group entity financial statements	1,300,000	Materiality has been set at 2.5% of the Group’s gross expenditure.
Performance Materiality for Group entity Financial statements	975,000	Set at 70% of materiality, this is the same as in the prior year.
Materiality for the Council financial statements	1,235,000	Materiality has been set at 2.2% of the Council’s gross expenditure.
Council performance Materiality	926,000	Set at 70% of materiality, this is the same as in the prior year.
Performance materiality for EEPIC will be applied when we test the subsidiary balances on a disaggregated basis. This approach ensures that these balances, when examined individually, undergo a review with adequate detail. The establishment of this separate performance materiality is mandated by the updated revisions to ISA 600.	536,000	Per ISA 600 separate performance materialities is required for Epsom and Ewell Property Investment Company (EEPIC). This has been set at 55% of Group materiality for these bodies.
Triviality	62,000	This is set at 5% of materiality.



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06 IT audit strategy

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IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audit and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audit will include completing an assessment of the design and implementation of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure.

The following IT applications are in scope for IT controls assessment based on the planned financial statement audit approach, we will perform the indicated level of assessment:

IT application	Audit area	Planned level IT audit assessment
Civica Financials	General ledger and Financial reporting	<ul style="list-style-type: none">ITGC assessment design and implementation
Trent	Payroll	<ul style="list-style-type: none">ITGC assessment design and implementation

To date we have not been made of any new system implementation or Cyber security incident which would require additional audit procedures for the 2024-25 financial year’s audit.

07 Value for Money Arrangements

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Value for Money Arrangements

Approach to Value for Money work for the period ended 31 March 2025

The National Audit Office issued its latest Value for Money guidance to auditors in November 2024. The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements, should they come to their attention. In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:

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Financial sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.



Governance

How the body ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



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Risks of significant VFM weaknesses



As part of our initial planning work, we considered whether there were any risks of significant weakness in the body’s arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we have identified are detailed on the table overleaf along with the further procedures we will perform. We will continue to review the body’s arrangements and report any further risks of significant weaknesses we identify to those charged with governance. We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the second table below.

Potential types of recommendations

A range of different recommendations could be made following the completion of work on risks of significant weakness, as follows:



Statutory recommendation

Recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as ‘key recommendations’.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body’s arrangements.

Risks of significant weakness in VFM arrangements (continued)

Initial Risk assessment of the Council’s VFM arrangements

The Code of Audit Practice 2024 (the Code) sets out that the auditor’s work is likely to fall into three broad areas: planning; additional risk-based procedures and evaluation; and reporting. We undertake initial planning work to inform this Audit Plan and the assumptions used to derive our fee. Consideration of prior year significant weakness and known areas of risk is a key part of the risk assessment for 2024/25. We will continue to evaluate risks of significant weakness and if further risks are identified, we will report these to those charged with governance. We set out our reported assessment below:

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Criteria	2023/24 Auditor judgement on arrangements		2024/25 risk assessment	2024/25 risk-based procedures
Financial sustainability	A	No risks of significant weakness reported; improvement recommendations made	No risks of significant weakness identified	We will undertake sufficient work to document our understanding of your arrangements as required by the Code and follow up improvement recommendations made in 2023/24.
Governance	R	One Key recommendation reported which will require us to follow up in the 2024-25 audit year.	Our 2023/24 Annual Audit Report raised the following Key Recommendation. The Council should develop a clear approach towards transparency. The Council should be mindful of requirements to be open and accountable." The need for action in relation to transparency was also highlighted the LGA Peer Review of March 2024.	To assess the Council's arrangements to strengthen transparency in decision making, we will follow up with a review of documentation and discussion with key officers. We will also enquire on progress on the LGA Peer Review action plan.
Improving economy, efficiency and effectiveness	A	No risks of significant weakness reported; improvement recommendations made	No risks of significant weakness identified	We will undertake sufficient work to document our understanding of your arrangements as required by the Code and follow up improvement recommendations made in 2023/24.

Age Appropriate

We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our auditor's annual report. Should any further risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. We report our value for money work in our Auditor's Annual Report. Any significant weaknesses identified once we have completed our work will be reflected in your Auditor's Report and included within our audit opinion.

- G

No significant weaknesses in arrangements identified or improvement recommendation made.
- A

No significant weaknesses in arrangements identified, but improvement recommendations made.
- R

Significant weaknesses in arrangements identified and key recommendations made.

08 Logistics

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Logistics

The audit timeline

Key Dates

Year end:
31 March 2025

Audit and Scrutiny
Committee
July 2025

Audit and Scrutiny
Committee
September 2025

Close out:
December 2025

Audit and Scrutiny
Committee
Committee date not
finalised

Sign off: by 31
December

Audit
phases:

Planning – 3 weeks
w/c 24 March 2025

Early testing
2 weeks
July/August

Final – 10 weeks
w/c15 September 2025

Completion – 1 week
w/c December 2025

Key elements

- Planning meeting with management to set audit scope
- Planning requirements checklist to management
- Issue the Audit Plan to management and Audit and Scrutiny Committee in April

Key elements

- Select samples of key transactional balances to enable management to prepare sample responses for these areas prior to the final audit commencing.
- Key areas of focus will be income, expenditure, Debtors , Creditors and PPE additions sampling.
- We will require the relevant working papers and accounts by the end of June to ensure this work takes place as planned.

Key elements

- Audit teams onsite to complete fieldwork and detailed testing
- Weekly update meetings with management
- Auditor’s Annual Report to be presented at September Audit and Scrutiny Committee.

Key elements

- Draft Audit Findings issued to management
- Audit Findings meeting with management
- ‘Draft Audit Findings issued to Audit and Scrutiny Committee
- Audit Findings presentation to Audit Committee
- Finalise and sign financial statements and audit report

Our team and communications

Grant Thornton core team

Ade Oyerinde
Engagement Lead/
Key Audit Partner

- Key contact for senior management and Audit and Scrutiny Committee
- Overall quality assurance

Usman Rasheed
Audit Manager

- Audit planning
- Resource management
- Performance management reporting

Justine Thorpe
Value for Money Manager

- Planning the Value for Money audit
- Drafting and agreeing the Annual Audit report with management.

Amrita Sekhon
Audit Senior

- Audit team management
- Day-to-day point of contact
- Audit fieldwork

Pool of specialists including IT and financial modelling

	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	<ul style="list-style-type: none">• Annual client service review	<ul style="list-style-type: none">• The Audit Plan• Audit Progress and Sector Update Reports• The Audit Findings Report• Auditor’s Annual Report	<ul style="list-style-type: none">• Audit planning meetings• Audit clearance meetings• Communication of issues log	<ul style="list-style-type: none">• Technical updates
Informal communications	<ul style="list-style-type: none">• Open channel for discussion		<ul style="list-style-type: none">• Communication of audit issues as they arise	<ul style="list-style-type: none">• Notification of up-coming issues

As part of our overall service delivery we may utilise colleagues who are based overseas, primarily in India and the Philippines. Those colleagues work on a fully integrated basis with our team members based in the UK, receive the same training and professional development programmes as our UK based team. They work as part of the engagement team, reporting directly to the Audit Senior and Manager and will interact with you in the same way as our UK based team albeit on a remote basis. Our overseas team members use a remote working platform which is based in the UK. The remote working platform (or Virtual Desktop Interface) does not allow the user to move files from the remote platform to their local desktop meaning all audit related data is retained within the UK.

09 Fees and related matters

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Our fee estimate

Our estimate of the audit fees is set out in the table across, along with the fees billed in the prior year

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC’s [Ethical Standard \(revised 2024\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

PSAA

Typical Government Audit fees are set by PSAA as part of their national procurement exercise. In 2023 PSAA awarded a contract of audit for Epsom and Ewell Borough Council to begin with effect from 2023/24. The scale fee set out in the PSAA contract for the 2024/25 audit is £x.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor’s annual report for the previous Audit Year (exception for new clients in 2023/24 only)
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here [Fee Variations Overview – PSAA](#)

Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

Company	Audit Fee for 2023/24 (£)	Proposed fee for 2024/25 (£)
Council Audit	152,455	169,922
Additional work related to the implementation of IFRS 16	N/A	TBC*
Total (Exc. VAT)	152,455	169,922

*IFRS 16 – fee will be based on work performed and subject to PSAA approval.

Our fee estimate:

We have set out below our specific assumptions made in arriving at our estimated audit fees, we have assumed that the Council will:

- prepare a good quality set of accounts, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.
- the implementation of ISA 600 to our Group audit approach for the Council and the new accounting standard of IFRS 16 are both new to the 2024/25 year. Therefore, at this stage we are not able to identify if additional costs will be incurred in relation to our work on these areas.

10 Independence considerations

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Independence considerations

As part of our assessment of our independence at planning we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Council/Group that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Council/Group or investments in the Group held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Council/Group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Council and Group .
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Council and Group’s board, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence at planning as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council’s Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Fees and non-audit services

The following tables below sets out the non-audit services charged from the beginning of the financial year to the current date, as well as the threats to our independence and safeguards have been applied to mitigate these threats.

The below non-audit services are consistent with the group’s policy on the allotment of non-audit work to your auditor

None of the below services were provided on a contingent fee basis

For the purposes of our audit, we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to Epsom and Ewell Borough Council. The table summarises all non-audit services which were identified. We have adequate safeguards in place to mitigate the perceived self-interest threat from these fees that is detailed in the table below.

Assurance Service Fees

Service	Fees £	Threats Identified	Safeguards applied
Certification of Housing Benefits Grant return	For the 2022-23 audit the Core Fee was £43,000, with £45,000 of additional fees identified, due to additional testing as required by the DWP instructions. With a total of £88,000 . The 2022-23 audit was certified on the 7 April 2025.	Self-Interest (because this is a recurring fee) Self-review (because Grant Thornton provides audit services)	<p>The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is small in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP’s turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.</p> <p>To mitigate against the self-review threat , the timing of certification work is done after the audit has completed. Based on past experience, it is not expected that there will be material changes to housing benefit subsidy payable or receivable and PHR in future years. Any changes to the form will be agreed with the council before we conclude our report to any reporting body. Any changes to subsidy payable will be determined by DWP and we will have no involvement in the decision.</p> <p>The scope of the work does not include making decisions on behalf of management or recommending or suggesting a particular course of action for management to follow. We will perform the proposed service in line with the instructions and reporting framework issued by the reporting body.</p>

*The Housing Benefit fee is the core fee and there is an additional daily rate of £1,500. The number of days varies dependent on the amount of additional testing required.

There are no other non audit services.

This covers all services provided by us and our network to the group, its directors and senior management and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence.

11 Communication of audit matters with those charged with governance

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Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	●	
Planned use of internal audit	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	●	●
Views about the qualitative aspects of the Council and Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

12 Delivering audit quality

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Delivering audit quality

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Our quality strategy

We deliver the highest standards of audit quality by focusing our investment on:

Creating the right environment

Our audit practice is built around the markets it faces. Your audit team are focused on the Public Sector audit market and work with clients like you day in, day out. Their specialism brings experience, efficiency and quality.

Building our talent, technology and infrastructure

We've invested in digital tools and methodologies that bring insight and efficiency and invested in senior talent that works directly with clients to deploy bespoke digital audit solutions.

Working with premium clients

We work with great public sector clients that, like you, value audit, value the challenge a robust audit provides, and demonstrate the strongest levels of corporate governance. We're aligned with our clients on what right looks like.

Our objective is to be the best audit firm in the UK for the quality of our work and our client service, because we believe the two are intrinsically linked.

How our strategy differentiates our service

Our investment in a specialist team, and leading tools and methodologies to deliver their work, has set us apart from our competitors in the quality of what we do.

The FRC highlighted the following as areas of particularly good practice in its recent inspections of our work:

- use of specialists, including at planning phases, to enhance our fraud risk assessment
- effective deployment of data analytical tools, particularly in the audit of journals

The right people at the right time

We are clear that a focus on quality, effectiveness and efficiency is the foundation of great client service. By doing the right audit work, at the right time, with the right people, we maximise the value of your time and ours, while maintaining our second-to-none quality record.

Bringing you the right people means that we bring our specialists to the table early, resolving the key judgements before they impact the timeline of your financial reporting. The audit partner always retains the final call on the critical decisions; we use our experts when forming our opinions, but we don't hide behind them.

Digital differentiation

We're a digital-first audit practice, and our investment in data analytics solutions has given our clients better assurance by focusing our work on transactions that carry the most risk. With digital specialists working directly with your teams, we make the most of the data that powers your business when forming our audit strategy.

Oversight and control

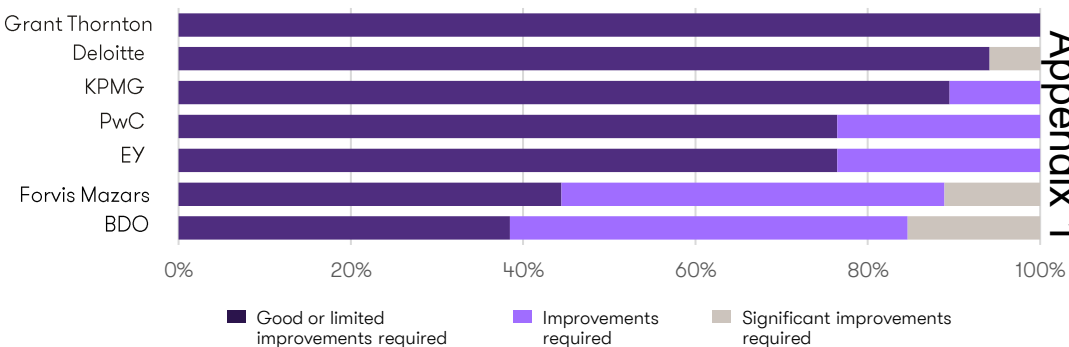
Wherever your audit work is happening, we make sure that its quality meets your exacting requirements, and we emphasise communication to identify and resolve potential challenges early, wherever and however they arise. By getting matters on the table before they become "issues", we give our clients the time and space to deal with them effectively.

Quality underpins everything at Grant Thornton, as our FRC inspection results in the chart below attest to. We're growing our practice sustainably, and that means focusing where we know we can excel without compromising our strong track record or our ability to deliver great audits. It's why we will only commit to auditing clients where we're certain we have the time and resource, but, most importantly, capabilities and specialist expertise to deliver. You're in safe hands with the team; they bring the right blend of experience, energy and enthusiasm to work with you and are fully supported by myself and the rest of our firm.

Wendy Russell
Partner, UK Head of Audit



FRC's Audit Quality Inspection and Supervision Inspection
(% of files awarded in each grading, in the most recent report for each firm)



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13 Appendices

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Escalation Policy



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The Backstop

The Department for Levelling Up, Housing and Communities have introduced an audit backstop date on a rolling basis to encourage timelier completion of local government audits.

As your statutory auditor, we understand the importance of appropriately resourcing audits with qualified staff to ensure high quality standards that meet regulatory expectations and national deadlines. It is the Authority's responsibility to produce true and fair accounts in accordance with the CIPFA Code by the statutory deadline and respond to audit information requests and queries in a timely manner.

Escalation Process

To help ensure that accounts audits can be completed on time in the future, we have introduced an escalation policy. This policy outlines the steps we will take to address any delays in draft accounts or responding to queries and information requests. If there are any delays, the following steps should be followed:

Step 1 - Initial Communication with Finance Director (within one working day of statutory deadline for draft accounts or agreed deadline for working papers)

- We will have a conversation with the Finance Director(s) to identify reasons for the delay and review the Authority's plans to address it. We will set clear expectations for improvement.

Step 2 - Further Reminder (within two weeks of deadline)

- If the initial conversation does not lead to improvement, we will send a reminder explaining outstanding queries and information requests, the deadline for responding, and the consequences of not responding by the deadline.

Step 3 - Escalation to Chief Executive (within one month of deadline)

- If the delay persists, we will escalate the issue to the Chief Executive, including a detailed summary of the situation, steps taken to address the delay, and agreed deadline for responding..

Step 4 - Escalation to the Audit and Scrutiny Committee (at next available Audit and Scrutiny Committee meeting or in writing to Audit and Scrutiny Committee Chair within 6 weeks of deadline)

- If senior management is unable to resolve the delay, we will escalate the issue to the Audit and Scrutiny Committee, including a detailed summary of the situation, steps taken to address the delay, and recommendations for next steps.

Step 5 - Consider use of wider powers (within two months of deadline)

- If the delay persists despite all efforts, we will consider using wider powers, e.g. issuing a statutory recommendation. This decision will be made only after all other options have been exhausted. We will consult with an internal risk panel to ensure appropriateness.

Aim

By following these steps, we aim to ensure that delays in responding to queries and information requests are addressed in a timely and effective manner, and that we are able to provide timely assurance to key stakeholders including the public on the Authority's financial statements.

Agenda Item 10
Appendix 1

IFRS reporters New or revised accounting standards that are in effect

<div>First time adoption of IFRS 16</div> <div>Lease liability in a sale and leaseback</div>	<ul style="list-style-type: none"> IFRS 16 was implemented by LG bodies from 1 April 2024, with early adoption possible from 1 April 2022. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. This year will be the first year IFRS 16 is adopted fully within Local Government.
<div>IAS 1 amendments</div> <div>Non-current liabilities with covenants</div>	<ul style="list-style-type: none"> These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
<div>Amendment to IAS 7 and IFRS 7</div> <div>Supplier finance arrangements</div>	<ul style="list-style-type: none"> These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

IFRS reporters Future financial reporting changes

IFRS reporters future financial reporting changes

These changes will apply to local government once adopted by the Code of practice on local authority accounting (the Code).

Amendments to IAS 21 – Lack of exchangeability

IAS 21 has been amended by the IASB to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments are expected to be adopted by the Code from **1 April 2025**.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, adds guidance on the SPPI criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the Code **in future years**.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 provides reduced disclosure requirements for eligible subsidiaries. A subsidiary is eligible if it does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is a voluntary standard for eligible subsidiaries and is expected to be adopted by the Code **in future years**.

IFRS 18 Presentation and Disclosure in the Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. All entities reporting under IFRS Accounting Standards will be impacted.

The new standard will impact the structure and presentation of the statement of profit or loss as well as introduce specific disclosure requirements. Some of the key changes are:

- Introducing new defined categories for the presentation of income and expenses in the income statement
- Introducing specified totals and subtotals, for example the mandatory inclusion of 'Operating profit or loss' subtotal.
- Disclosure of management defined performance measures
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IFRS 18 is expected to be adopted by the CIPFA Code **in future years**.

The Grant Thornton Digital Audit – Inflo

A suite of tools utilised throughout the audit process

01 Collaborate

Information requests are uploaded by the engagement team and directed to the right member of your team, giving a clear place for files and comments to be uploaded and viewed by all parties.

What you'll see

- Individual requests for all information required during the audit
- Details regarding who is responsible, what the deadline is, and a description of what is required
- Graphs and charts to give a clear overview of the status of requests on the engagement

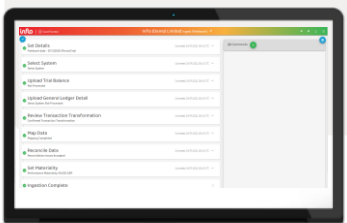


02 Ingest

The general ledger and trial balance are uploaded from the finance system directly into Inflo. This enables samples, analytical procedures, and advance data analytics techniques to be performed on the information directly from your accounting records.

What you'll see

- A step by step guide regarding what information to upload
- Tailored instructions to ensure the steps follow your finance system

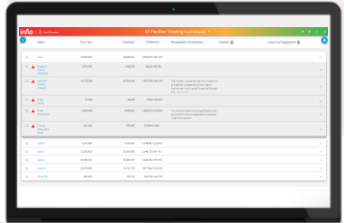


03 Detect

Journals interrogation software which puts every transaction in the general ledger through a series of automated tests. From this, transactions are selected which display several potential unusual or higher risk characteristics.

What you'll see

- Journals samples selected based on the specific characteristics of your business
- A focussed approach to journals testing, seeking to only test and analyse transactions where there is the potential for risk or misstatement





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ANNUAL INTERNAL AUDIT CONCLUSION 2024-25

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Natalie Jerams, Deputy Head of Southern Internal Audit Partnership
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 – Annual Internal Audit Conclusion 2024-25 Appendix 2 – Restricted Item

Summary

The purpose of this paper is to present the Annual Internal Audit Conclusion for 2024/25 (Appendix 1) in accordance with the requirements of the Public Sector Internal Audit Standards.

Recommendation (s)

The Committee is asked to:

- (1) To consider and note the Annual Internal Audit Conclusion 2024-2025.

1 Reason for Recommendation

- 1.1 In accordance with the Internal Audit Charter, the Audit & Scrutiny Committee is required to consider the Annual Internal Audit Conclusion of the Chief Internal Auditor.

2 Background

- 2.1 The purpose of this paper is to present the Annual Internal Audit Conclusion (Appendix 1) in accordance with the requirements of the Public Sector Internal Audit Standards.
- 2.2 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.

2.3 The Annual Internal Audit Conclusion for 2024/25 (attached at Appendix 1) provides the Chief Internal Auditor's opinion on the effectiveness of the framework of governance, risk and control and summarises audit work from which that opinion is derived for the year 2024/25.

2.4 The Audit & Scrutiny Committee's attention is drawn to the following points:

- Internal audit was compliant with the Public Sector Internal Audit Standards during 2024/25;
- The internal audit plan for 2024/25 has been substantially delivered; and
- The Council's framework of governance, risk management and management control are considered to be 'Reasonable'.

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

3.4.1 None for the purposes of this report.

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:** No direct financial implications as a result 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 content of this report.

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:** The matter is not included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** not applicable.
- 6.4 **Sustainability Policy & Community Safety Implications:** not applicable.
- 6.5 **Partnerships:** not applicable.
- 6.6 **Local Government Reorganisation Implications:** not applicable.

7 Background papers

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

Previous reports:

- 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&MIId=1523>

Other papers:

- None.

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Southern Internal Audit Partnership

Assurance through excellence
and innovation

EPSOM AND EWELL BOROUGH COUNCIL

Annual Internal Audit Conclusion 2024-2025

Prepared by: Natalie Jerams, Deputy Head of Partnership

June 2025

1. Internal Audit Standards

With effect from 1 April 2025, the 'Standards' against which internal audit within the public sector must conform 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 are 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 with the Public Sector Internal Audit Standards (PSIAS). Consequently, in fulfilling the audit mandate and delivery of internal audit service for the purposes of the 2024-25 annual conclusion the PSIAS remain the relevant Standards.

2. 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.'

The role of internal audit is best summarised through its definition within the Standards 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.'

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.

3. Internal Audit Approach

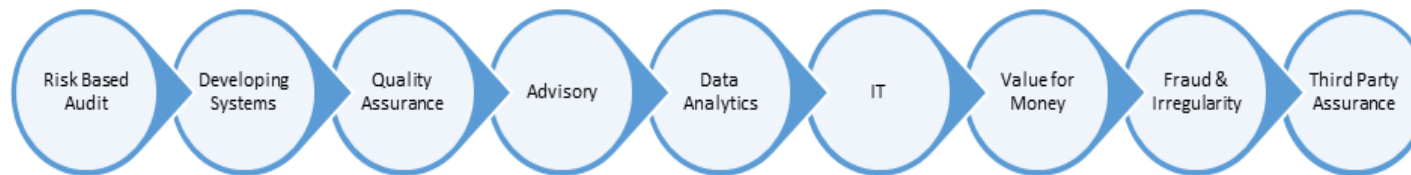
To enable effective outcomes, internal audit provides a combination of assurance and advisory activities. Assurance work involves objective assessment of how well systems and processes are designed and working, with advisory activities available to help to improve those systems and processes where necessary whilst not assuming any management responsibilities.

As the Chief Internal Auditor, I review the approach to each audit, considering the following key points:

- Level of assurance required.
- Significance of the objectives under review to the organisation's success.
- Risks inherent in the achievement of objectives.
- Level of confidence required that controls are well designed and operating as intended.

All formal internal audit assignments will result in a published report. The primary purpose of the audit report is to provide an independent and objective opinion to the Council on the framework of internal control, risk management and governance in operation and to stimulate improvement.

A full range of internal audit services is available in forming the annual audit conclusion:



The Southern Internal Audit Partnership maintain an agile approach to audit, seeking to maximise efficiencies and effectiveness in balancing the time and resource commitments of our partners, with the necessity to provide comprehensive, compliant and value adding assurance.

We have sought to optimise the use of virtual technologies to communicate with key contacts and in completion of our fieldwork, however, the need for site visits to complete elements of testing continues to be assessed and agreed on a case-by-case basis.

4. Internal Audit Coverage

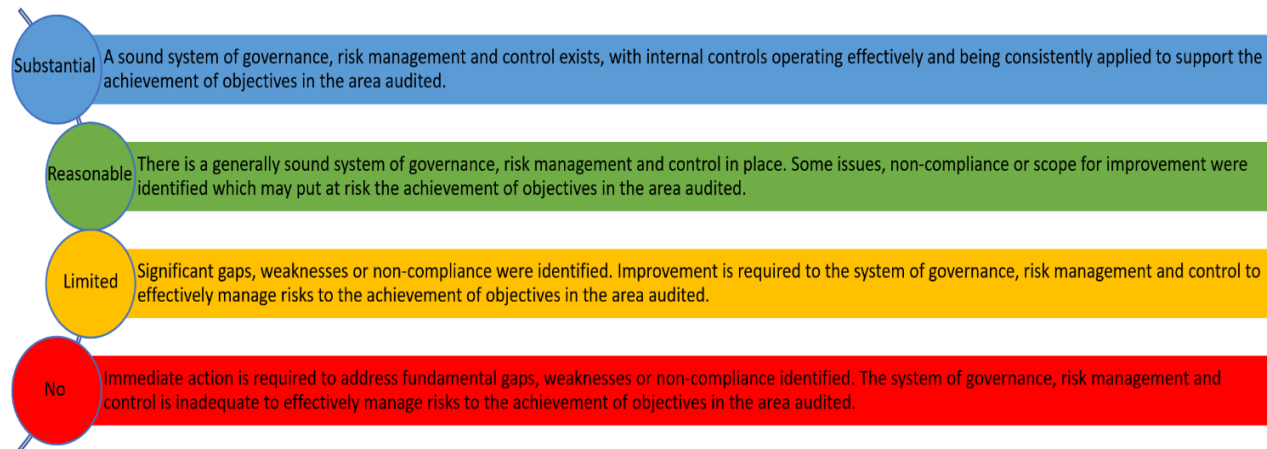
The internal audit plan is prepared taking account of the characteristics and relative risks and objectives of the Council and to support the preparation of the Annual Governance Statement. Work has been planned and performed to establish if sufficient evidence is available to provide reasonable assurance that the framework of governance, risk management and internal control is operating effectively.

The 2024-25 internal audit plan was considered by the Audit & Scrutiny Committee in March 2024. It was informed by internal audit's own assessment of risk and materiality in addition to consultation with management to ensure it aligned to organisational objectives / priorities and the key risks facing the organisation.

The plan has remained fluid throughout the year to maintain an effective focus and ensure that it continues to provide assurance, as required, over new or emerging challenges and risks that management need to consider, manage, and mitigate.

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

The assurance opinions are categorised as follows:



5. Resources

The Southern Internal Audit Partnership has a strategy in place to optimise internal audit resource. Ongoing sufficiency of resources (financial, human and technological) are transparently communicated to senior management and the Audit & 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 plan and internal audit mandate at risk are reported accordingly through the afore mentioned reports.

There have been no resource implications that have adversely affected the fulfilment of the internal audit mandate or delivery of the Council's internal audit plan impacting my ability to provide a conclusion on the organisation's framework of governance, risk, and internal control.

6. Independence

As your chief internal auditor, I retain no roles or responsibilities that have the potential to impair my independence, either in fact or appearance. Internal auditors engaged in the delivery of the 2024-25 internal audit plan have had no direct operational responsibility or authority over any of the activities reviewed.

I can confirm there has been no interference encountered by the Southern Internal Audit Partnership related to the scope, performance, or communication of internal audit work during the year in the delivery of the internal audit plan or the fulfilment of the internal audit mandate.

7. Impairments

There have been no impairments to internal audit activity during the year. As chief internal auditor I have ensured that the internal audit function has remained 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.

The internal audit team have maintained an unbiased mental attitude allowing them to perform engagements objectively enabling them to believe in their work product, with no compromise to quality, and no subordination to their judgment on audit matters, either in fact or appearance.

8. Limitations of Scope

There have been no limitations to the scope of internal audit work during the course of the year.

9. Internal Audit Conclusion

As chief internal auditor, I am responsible for the delivery of an audit conclusion that can be used by the Council to inform their Annual Governance Statement. The annual audit conclusion culminates in an overall opinion on the adequacy and effectiveness of the organisations' framework of governance, risk management and control.

In giving this opinion, assurance can never be absolute and therefore, only reasonable assurance can be provided that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, I have based my opinion on:

- written reports on all internal audit work completed during the course of the year (assurance & advisory).
- results of any follow up exercises undertaken in respect of previous years' internal audit work.
- the results of work of other review bodies where appropriate.
- the extent of resources available to deliver the internal audit work.
- the quality and performance of the internal audit service and the extent of compliance with the Standards.
- the proportion of the Council's audit need that has been covered within the period.

We enjoy an open and honest working relationship with the Council. Our planning discussions and risk-based approach to internal audit ensure that the internal audit plan includes areas of significance raised by the Audit & Scrutiny Committee and senior management to ensure that ongoing organisational improvements can be achieved. I feel that the maturity of this relationship and the Council's effective use of internal audit has assisted in identifying and putting in place action to mitigate weaknesses impacting on organisational governance, risk, and control over the 2024-25 financial year.

Annual Internal Audit Conclusion 2024-25

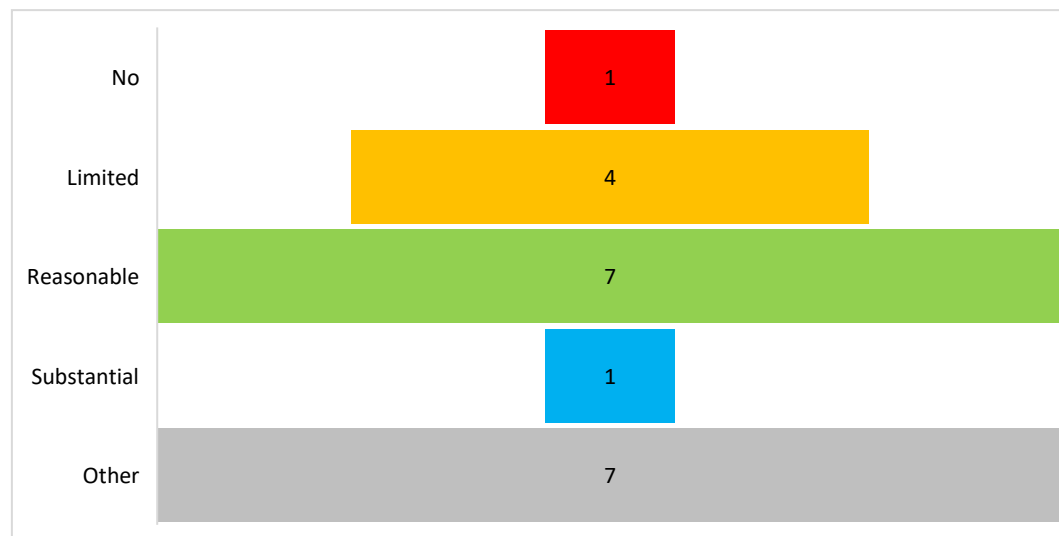
I am satisfied that sufficient assurance and advisory work has been carried out to allow me to form a conclusion on the adequacy and effectiveness of the internal control environment. In my opinion the framework of governance, risk management and control are **'reasonable'** and audit testing has demonstrated controls to be working in practice.

Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

10. Governance, Risk Management & Control – Overview, Key Observations & Themes

Audit work completed in 2024-25

The work undertaken throughout the year is summarised in the chart below, with the risk-based assurance work categorised by assurance opinion. Significant findings from our reviews have been reported to senior management and the Audit & Scrutiny Committee throughout the year.



Governance

Governance arrangements are considered during the planning and scoping of each review and in most cases, the scope of our work includes overview of:

- the governance structure in place, including respective roles, responsibilities, and reporting arrangements.
- relevant policies and procedures to ensure that they are in line with requirements, regularly reviewed, approved, and appropriately publicised and accessible to officers and staff.

During 2024-25 we undertook a review of the Financial Governance Framework which concluded with a substantial assurance opinion demonstrating a sound framework of governance, risk and control; a review of Decision Making and Accountability which concluded with a reasonable assurance opinion; as well as a review of Information Governance that concluded with a limited assurance opinion.

The Council does not have a formally defined Data Protection Officer (DPO) role. The use of an officer from a neighbouring authority is in place, however there is no documentation which sets out the terms of this arrangement or what the DPO should deliver on behalf of the Council. Whilst a Data Protection Policy is in place and is accessible to all staff, this is in draft and has not been approved.

Although there is a policy in place covering Freedom of Information (FOI) requests, Subject Access Requests (SARs) and Environmental Information Regulations (EIRs), this does not contain evidence of authorisation or approval by senior leadership or a date of review.

Responsibilities for processing SARs, FOIs and EIRs are not formally assigned. Whilst testing of a sample of FOIs and SARs found all were handled appropriately and in good time, subject to the circumstances of the case, a sample of EIRs found that not all were completed on time as a result of delays in service areas responding to the request.

Whilst the Council has constituted an Information Governance Working Group to provide steer and oversight on Data Protection, its Terms of Reference are yet to be approved and certain elements such as a list of participating members and meeting frequency are not stated.

No Data Protection Impact Assessments have been completed ahead of the upcoming migration to Office 365 and change of Council offices.

Whilst an Information Asset Register is in place, spanning 13 service areas, there is no schedule for review at present. All were last updated in 2022.

Whilst a register exists to list the Data Sharing Protocols with external organisations, this is currently incomplete and is not held centrally.

A Freedom of Information Act publication scheme is available on the Council website, however, the webpage is under construction and not all data is available, with various pages yet to be hyperlinked.

Despite these observations, based on the work completed during the year and through our attendance at a variety of management and governance meetings, in our opinion the governance frameworks in place across the Council are robust, fit for purpose and subject to regular review. There is also appropriate reporting to the Audit & Scrutiny Committee to provide the opportunity for independent consideration and challenge including the review of the Annual Governance Statement.

In addition, we also completed two advisory reviews across the year relating to the changes proposed to the IT Strategy and the governance arrangements for the Relocation of the Town Hall project.

Risk management

In accordance with the constitution, the Audit & Scrutiny Committee play a key role to 'scrutinise the application of the Risk Management Strategy and oversee the corporate risk register'. This has been supported through the Committee's overview of the Corporate Performance Report that incorporates both corporate and committee risk registers as a regular agenda item throughout the year.

A review of the risk management arrangements for the Council was last carried out in 2023/24 which resulted in a reasonable assurance opinion. Whilst some areas of improvement were identified regarding the recording within the risk register, including mitigation plans, the review demonstrated that risk management arrangements were generally sound, documented and embedded within the Council.

The risk register is a key document that is taken into account during the development of our risk based internal audit plan. The information in the risk register is taken into account when scoping each review in detail to ensure that our work is appropriately focussed.

Control

Internal audit work found there were areas where a sound control environment is in place that were working effectively to support the delivery of corporate objectives. However, there are areas of challenge to the Council's control environment. We generally found officers and staff to be aware of the importance of effective control frameworks, and open to our suggestion for improvements or enhancements where needed.

The key areas of challenge identified through our work are outlined below:

Environmental Health Food Hygiene – No Assurance

As background to this audit, the Council was already aware of its difficulty in fulfilling its requirement to perform inspections of all food establishments in the Borough. There had been an action plan imposed through the Food Standards Authority (FSA) in 2020 (in respect of underperformance in 2018/19) and severe disruption through COVID-19 exacerbated this further.

The current 2024/25 Food Safety Service Plan has not yet been presented to, or approved by, the Environment Committee and an Action Plan (as requested by the FSA in June 2024) is yet to be drafted and submitted. The FSA's original deadline was not met. However, we have since been advised that an extension was granted from the FSA.

The Council is not fulfilling its statutory duty to deliver inspections in accordance with the Food Law Code of Practice. At the time of the audit, of 596 businesses across the Borough, 171 (28%) were overdue inspections and 122 had not been inspected at all. This does not include "re-inspections" that may be due.

Re-inspections of premises are not logged in the system. These do not appear amongst the due and overdue inspections, and it is unclear whether these are scheduled at all. We therefore cannot give assurance over the degree to which re-inspections are being completed, and it cannot be ascertained from the current system how many are due or overdue.

There is no formal or documented agreement in place with the contractor who is currently conducting all Category A, B and C inspections on behalf of the Council.

During the time of the audit the Lead Officer for Food vacated the post. Whilst we were advised that the Public Protection Manager would cover the managerial aspects of the role, no arrangement has been put in place to cover the full role and to recruit to this post. There is also no central log of competent officers (as per FSA definition) or their CPD records to ensure that only suitably qualified staff are performing inspections and at their competence level.

The corresponding documentation was found to be in place in Uniform and IDOX for all in our sample of category A, B, C and E inspections tested. However, two out of five category D inspections didn't have accompanying records. This has since been rectified however highlights the absence of a management spot-check that documentation is being retained satisfactorily.

We were advised that, prior to 2023-24, there had been delays in submission of the data to the FSA, positively however, we reviewed submissions from March 2023 to March 2024 and found that data is being submitted when due, currently 6-monthly to the FSA (previously quarterly) as requested and the FSA have acknowledged receipt of this.

Main Accounting – Limited Assurance

The purpose of this audit was to review the key controls of the accounting system processes. The Council currently use 'Civica Financials' as their main accounting system.

Whilst a number of areas were assessed to be working well, including the processing and approval of journals, virements, management of interfaces and appropriate system access, there were also some areas of improvement identified that resulted in the overall limited assurance opinion.

We were unable to confirm that regular bank reconciliations had been fully completed throughout 2023/24. Our testing of a sample of five end of week reconciliations during 2023/24 were all signed as being complete and authorised on the same date of the year (30th May 2024).

Income that cannot be automatically coded by the system is posted to an income suspense account; this is reviewed daily by the exchequer team and investigated until the correct coding can be found for the income. We reviewed outstanding transactions within the suspense account, and found that as at 6 March 2024, 56 entries remain from 2023. We were advised that an error had occurred with a manual upload to the main accounting system in June 2023, this had caused a number of duplicated entries to be posted to the system and 41 of the 56 suspense account entries are in relation to this error. At the time of our review, we were advised that this issue had not yet been investigated and resolved.

Our review of procedural documents and user guides available to support staff found that they were out of date and showed no evidence of regular review in place which has led to some information within the documentations to be incorrect.

Please also see the separate restricted report (Appendix 2).

Other Sources of Assurance

During the year internal audit have remained cognisant of other sources of assurance from which the Council benefit. Due to legal and regularity nature of some public sector assurance providers internal audit do not routinely have the opportunity to engage with or attain insight into the scope and timing of their work.

However, where appropriate internal audit does coordinate with and place reliance on the outcomes of other assurance providers to minimise duplication and highlight potential gaps in assurance needs. Additionally, as chief internal auditor I liaise with the external auditors on matters of mutual interest and to seek opportunities for cooperation in the conduct of audit work.

A recent Local Government Association Corporate Peer Challenge (CPC) was reported in March 2024. CPC forms a key part of the improvement and assurance framework for local government. The review considered the following five themes:

- Local priorities and outcomes
- Organisational and place leadership
- Governance and culture
- Financial planning and management
- Capacity for improvement.

We do not seek to duplicate the work already taking place in these areas but will review the outcomes and consider future areas for inclusion in the internal audit plan.

Management actions

Where our work identified risks that we considered fell outside the parameters acceptable to the Council, we agreed appropriate corrective actions and a timescale for improvement with the responsible managers.

Progress is periodically reported during the year to the Audit & Scrutiny Committee through our quarterly internal audit progress reports. Throughout 2024/25 it was concerning to note that a number of the management actions have not been completed by their original target date and many have been reported with several revised target dates.

Follow Up

As part of the Internal Audit Plan for 2024/25, we have undertaken follow up reviews to assess the progress made with implementing the management actions arising from previously reported limited assurance opinion reports. These related to Affordable Housing, Community Infrastructure Levy (CIL) and Community Health and Wellbeing.

For any actions that remain in progress, these will continue to be reported within the Internal Audit Progress Reports and monitored through to completion.

Please also see the separate restricted report (Appendix 2).

Acceptance of Risk

From the work carried out by the Southern Internal Audit Partnership during the year, I am not aware of any instances where management have accepted a level of risk that we feel exceeds the organisation's risk appetite or risk tolerance.

Themes

The findings and conclusions of multiple engagements, when viewed holistically, can reveal patterns or trends, such as root causes. Analysis of assurance and advisory work undertaken across the organisation's framework of governance, risk management and control processes has highlighted the following:

- Areas across the Council where operational processes have not been documented, or policies and procedures are out of date. In an uncertain climate where staff retention is increasingly challenging, this poses an increased risk of losing operational knowledge and resilience issues.
- Please also see the separate restricted report (Appendix 2).

11. Anti-Fraud and anti-corruption

In accordance with the internal audit charter and the audit plan, auditors will plan and evaluate their work so as to have a reasonable expectation of detecting fraud and identifying any significant weaknesses in internal controls.

Whilst not responsible for the detection of fraud within the Council, Southern Internal Audit Partnerships work during 2024/25 has not identified, and we have not been made aware of, any significant control deficiencies that may pose a significant fraud risk.

12. Quality Assurance and Improvement

The Standards require the Head of the Southern Internal Audit Partnership to develop and maintain a Quality Assurance and Improvement Programme (QAIP) to enable the internal audit service to be assessed against industry Standards for conformance.

The QAIP must include provision for both internal and external assessments: internal self-assessments are required annually, and an external assessment must be undertaken at least once every five years. In addition to evaluating compliance with the relevant Standards, the QAIP also assesses the efficiency and effectiveness of the internal audit activity, identifying areas for improvement.

An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. In 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.

13. Disclosure of Non-Conformance

There are no disclosures of Non-Conformance to report. In accordance with Public Sector Internal Audit Standard 1312 [External Assessments], I can confirm through endorsement from the Institute of Internal Auditors that:

'the Southern Internal Audit Partnership conforms to the Definition of Internal Auditing; the Code of Ethics; and the Standards'.

14. Quality Control

Our aim is to provide a service that remains responsive to the needs of the Council and maintains consistently high standards. In complementing the QAIP this was achieved in 2024-25 through the following internal processes:

- On-going liaison with management to ascertain the risk management, control and governance arrangements, key to corporate success.
- On-going development of a constructive working relationship with other assurance providers to maintain a cooperative assurance approach.
- A tailored audit approach using a defined methodology and assignment control documentation.
- Review and quality control of all internal audit work by professional qualified senior staff members.
- An internal quality assessment against the industry Standards.

15. Internal Audit Performance

The following performance indicators are maintained to monitor effective service delivery:

Performance Measure	Target	Actual (2024-25)
Percentage of internal audit plan delivered (to draft report)	95%	88%
Positive customer survey response:		
SIAP – all Partners	90%	98%
Epsom & Ewell Borough Council	90%	100%
Conformance with the Public Sector Internal Audit Standards	Conforms	Conforms

Customer satisfaction is an assessment of responses to questionnaires issued to a wide range of stakeholders including members, senior officers and key contacts involved in the audit process (survey date April 2025).

16. Acknowledgement

I would like to take this opportunity to thank all those staff throughout the Council with whom we have made contact in the year. Our relationship has been positive, and management were responsive to the comments we made both informally and through our formal reporting.

Natalie Jerams
Deputy Head of Southern Internal Audit Partnership

Annex A

Summary of Assurance Reviews Completed 2024-25

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.

- Financial Governance Framework

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.

- Capital Programme
- Housing Allocations Policy
- Planning Enforcement (*draft*)
- Accounts Payable
- Safeguarding
- Treasury Management
- Decision Making & Accountability (*draft*)

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.

- Main Accounting
- Information Governance
- *Please also see separate restricted report*

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.

- Environmental Health – Food Hygiene

** Two reviews (Playgrounds and EEPIC Governance Arrangements) have been drafted; however, we are awaiting factual accuracy prior to reporting and three reviews (Payroll, Asset Management and HR Use of Volunteers) remain work in progress. All will be reported as part of the next progress report to the Audit & Scrutiny Committee. The status of these reviews has not inhibited my ability to provide an overall opinion on the Council's framework of governance, risk and control.*

*** Assurance was further supported by two advisory reviews (IT Strategy and Relocation of Town Hall), four follow up reviews and a review of the Epsom and Walton Downs Conservators (EWDC) Account.*

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INTERNAL AUDIT PROGRESS REPORT

Head of Service:	Andrew Bircher, Assistant Director of 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 – Restricted Item

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 status of 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 Public Sector Internal Audit Standards (as relevant to 2024/25), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny 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 Public Sector Internal Audit Standards (as relevant to 2024/25), 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

3.4.1 None for the purposes of this report.

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.

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:** The matter is not included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** not applicable.
- 6.4 **Sustainability Policy & Community Safety Implications:** not applicable.
- 6.5 **Partnerships:** not applicable.
- 6.6 **Local Government Reorganisation Implications:** not applicable.

7 Background papers

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

Previous reports:

- 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>

Other papers:

- None.



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

June 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.’

With effect from 1 April 2025, the ‘Standards’ against which internal audit within the public sector must conform 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 are 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 with the Public Sector Internal Audit Standards (PSIAS). Consequently, in fulfilling the audit mandate and delivery of internal audit service for the purposes of the 2024-25 internal audit delivery the PSIAS remain the relevant Standards.

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

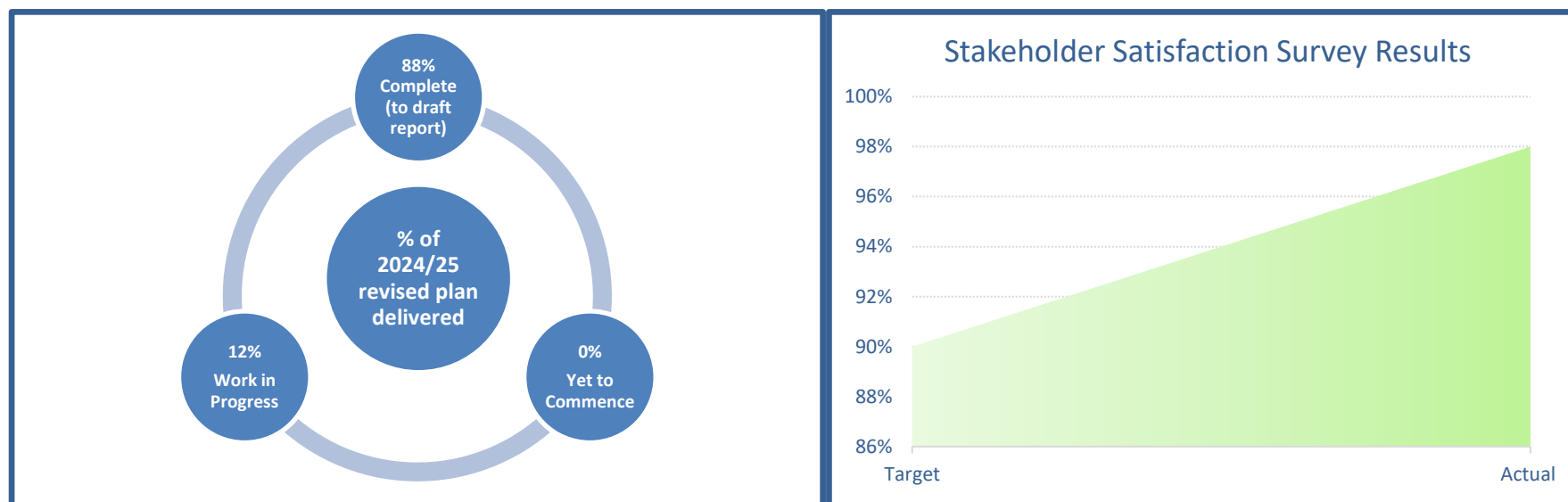
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to 'Senior Management' and 'the Board', summarising:

- 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



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.'

4. Analysis of 'Live' audit reviews

This table reflects the status of management actions as at 31 May 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	
Ethical Governance	11.05.2023	HofP&CR	Reasonable	11(2)	0(0)	8(2)		3	
Risk Management	21.05.2024	ADCS	Reasonable	7(0)	0(0)	6(0)		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)	1(0)	9(4)			1
Safeguarding	27.03.2025	HofH&C	Reasonable	5(0)	3(0)	2(0)			
Housing Allocations Policy	12.05.2025	HofH&C	Reasonable	5(0)	3(0)	2(0)			
Exempt/Restricted Items				30(8)	6(0)	11(4)	2	7	4
Total				98(24)	15(0)	61(19)	4	13	5

*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	✓	✓	☑				
Financial Governance Framework (including Savings Realisation)	DofCS	✓	✓	✓	✓	✓	Substantial	
Decision Making & Accountability	HofLDS	✓	✓	✓	☑			Draft report issued 13.6.2025
EEPIC – Governance Arrangements	HofP&R	✓	✓	✓	☑			Draft report issued 3.7.2025
IT Strategy	HofICT	✓	✓	✓	✓	✓	n/a	Position Statement
Treasury Management	DofCS	✓	✓	✓	✓	☑	Reasonable	
Payroll	HofP&OD	✓	✓	✓				Close of audit held, report pending

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comments
Playgrounds	HofOS	✓	✓	✓	☑		Limited	Draft report issued 28.5.2025
Planning Enforcement	HofPD	✓	✓	✓	☑			Draft report issued 13.6.2025
Asset Management – Management of Leases and Rents	HofP&R	✓	✓	☑				
Housing Allocations Policy	HofH&C	✓	✓	✓	✓	☑	Reasonable	
Env Health – Food Hygiene	HofH&C	✓	✓	✓	✓	✓	No	
Safeguarding	HofH&C	✓	✓	✓	✓	☑	Reasonable	
Follow Up – Community Infrastructure Levy (CIL)	HofH&C	✓	✓	✓	☑	☑	n/a	
Follow Up – Affordable Housing	HofH&C	✓	✓	✓	☑	☑	n/a	
Follow Up – Community Health & Wellbeing	HofH&C	✓	✓	✓	☑	☑	n/a	
EWDC Conservators Account	DofCS	✓	✓	✓	n/a	✓	n/a	

☑ - This symbol reflects the progress that has been made since the last progress report was presented to the Audit & Scrutiny Committee on 27 March 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 have been the following adjustments 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.
Tree Management	Audit start delayed due to SIAP availability. To be delivered in Q1 of 2025/26. (The days allocated to the audit have been carried forward to 2025/26.)

Overdue 'High Priority' Management Actions

Environmental Health Food Safety – No Assurance**Observation:**

At present, the Council is not fulfilling its duty to deliver inspections in accordance with the Food Law Code of Practice.

The Food Safety Service Plan has been drafted and proposes only to complete, within a 12 month period, "100% of A and B rated establishments" (of which there are only 24 across the Borough, 2 being A rated) and only "40% of C and D rated establishments" (of which there are 243 in the Borough). The remaining 329 food businesses are either E rated or are presently unrated pending an initial inspection. The Council does not envisage being in a position to complete any of the later inspections.

We were advised that new businesses are provisionally screened based on the information provided at registration. If the activities reported are considered potentially high risk, this is treated as a high risk business provisionally, and the first inspection is to be performed with priority. For all non-high risk businesses, based on registration information, these are classed as unrated until they receive their initial inspection. Initial inspection frequency is driven by the provisional risk rating as above. Therefore, those premises considered unrated are those considered to be lower risk.

Whilst this prioritisation may be considered by the Council to be the best use of available resources, it is an acknowledgement that the Council will fail in its duty to have inspected the majority of C and D rated establishments, and all E or unrated businesses.

There are establishments of the lowest risk rating (E) and those "unrated" which were recorded as having last been inspected so far back as 2010, and a much larger amount that have not been inspected in the last 5 years or not at all (particularly low-rated newly registered businesses). We are advised that these E rated businesses have been permitted (by the Council) to self assess in the absence of an actual regulatory inspection, whilst resources are focused on those of higher risk.

Currently, in total, of 596 businesses across the Borough, 171 (28%) are overdue inspections and 122 (16%) have not yet been inspected at all. This does also not account for "re-inspections" that may be due.

Management Action	Original Due Date	Revised Due Date	Latest Service Update From Action Owner
Recruit an additional qualified and competent EHO or food safety officer.	31.03.2025	31.03.2026	No suitably qualified candidates applied for the vacancy associated with national shortage of Environmental Health Practitioners. Position being filled by agency at present.

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 31.08.2025
Affordable Housing Delivery	03.01.2023	Limited	Medium	31.12.2024	31.12.2026
Ethical Governance	11.05.2023	Reasonable	Medium	31.07.2023	31.03.2024 30.09.2024 31.03.2025 30.09.2025
			Medium	31.03.2024	30.06.2024 30.09.2024 31.12.2024 31.03.2025 31.10.2025
			Medium	31.03.2024	30.06.2024 30.09.2024 31.12.2024 31.03.2025 31.10.2025
Risk Management	21.05.2024	Reasonable	Medium	30.11.2024	31.03.2025 31.07.2025
Information Governance	07.10.2024	Limited	Medium	31.12.2024	31.03.2025 31.08.2025
			Low	31.10.2024	31.03.2025 31.08.2025

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EXCLUSION OF THE PRESS AND PUBLIC

Under Section 100(A)(4) of the Local Government Act 1972, the Committee may pass a resolution to exclude the press and public from the Meeting 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 the private agenda pack and have not been published publicly:

Item 11 – Annual Internal Audit Conclusion 2024-25 – Appendix 2
The report deals with information relating to the financial or business affairs of the Council.
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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