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Democratic Services



AUDIT AND SCRUTINY COMMITTEE

Thursday 19 March 2026 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 Tony Froud
Councillor Phil Neale (Vice-Chair)	Councillor Alison Kelly
Councillor Chris Ames	Councillor Jan Mason
Councillor Steve Bridger	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 12 March**.

A written copy of statements must be received by Democratic Services by noon on the working day before the day of the meeting. For this meeting this is **Noon, Wednesday 18 March**.

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

Filming and recording of meetings

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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 5 February 2026 (attached) and to authorise the Chair to sign them.

4. ANNUAL PROCUREMENT WAIVER REPORT 2025 (Pages 15 - 22)

This report provides the Committee with an overview of the procurement Waivers between January 2025 and December 2025. In the year there were a total of fourteen waivers, with a cumulative spend of £479,121.

5. COMPLAINTS REPORT APRIL 2025 - DECEMBER 2025 (Pages 23 - 36)

This report details Stage 1 and Stage 2 complaints received by the Council from 01 April 2025 to 31 December 2025.

6. PERFORMANCE AND RISK REPORT – MARCH 2026 (Pages 37 - 86)

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

7. FSAG ANNUAL TREASURY MANAGEMENT REPORT (Pages 87 - 102)

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

8. EXTERNAL AUDIT UPDATE - 2025-26 AUDIT PLAN (Pages 103 - 156)

This report presents the External Audit Plan for 2025/26.

9. AUDIT AND SCRUTINY COMMITTEE ANNUAL REPORT 2025-2026 (Pages 157 - 166)

This report presents the Annual Report of the Audit and Scrutiny Committee 2025-2026 in accordance with the requirement of Paragraph 7.2 of Annex 4.6 of the Council's Operating Framework. It covers the work of the Committee between March 2025 and February 2026, and following agreement by the Committee, will be submitted to the next available agenda for Full Council.

10. INTERNAL AUDIT ANNUAL PLAN 2026-2027 AND INTERNAL AUDIT CHARTER (Pages 167 - 200)

As required by the Global Internal Audit Standards in UK Public Sector this report presents the Internal Audit Charter and the Internal Audit Plan 2026-27. The Internal Audit Charter (Appendix 1) is a formal document that includes the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications. The Internal Audit Plan (Appendix 2) is a document, developed by the Chief Internal Auditor, that identifies the engagements and other internal audit services anticipated to be provided during a given period.

11. INTERNAL AUDIT EXTERNAL QUALITY ASSESSMENT RESULTS (Pages 201 - 234)

The purpose of this paper is to provide the Audit and Scrutiny Committee with the outcome from the External Quality Assessment of the Southern Internal Audit Partnership against the new Global Internal Audit Standards in the UK Public Sector.

12. INTERNAL AUDIT PROGRESS REPORT (FEBRUARY 2026) (Pages 235 - 254)

As required by the Global Internal Audit Standards in UK Public Sector this report presents the Internal Audit Progress Report 2025-26 (February 2026). The report provides the Audit and Scrutiny Committee with an overview of internal audit activity and assurance work completed in accordance with the approved audit plan and provides an overview of key updates relevant to the discharge of the committee's role in relation to internal audit.

13. EXCLUSION OF THE PRESS AND PUBLIC (Pages 255 - 256)

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.

14. WORK PROGRAMME - MARCH 2026 (Pages 257 - 262)

This report presents the Committee with its rolling annual Work Programme.

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Minutes of the Meeting of the AUDIT AND SCRUTINY COMMITTEE held at the Council Chamber, Epsom Town Hall on 5 February 2026

PRESENT -

Councillor Steven McCormick (Chair); Councillor Phil Neale (Vice-Chair); Councillors Chris Ames, Steve Bridger, Tony Froud, Alison Kelly and Chris Watson

In Attendance: Councillor Alex Coley, Councillor James Lawrence and Councillor Clive Woodbridge (for agenda items 1-4), Ade Oyerinde (External Auditor) (Grant Thornton) (in attendance remotely for agenda items 1-7) and Usman Rasheed (External Auditor) (Grant Thornton) (in attendance remotely for agenda items 1-7)

Absent: Councillor Jan Mason

Officers present: Cagdas Canbolat (Director of Corporate Services (S151)), Andrew Bircher (Assistant Director of Corporate Services), Alex Awoyomi (Principal Solicitor), Ian Dyer (Head of Operational Services) (for agenda items 1-4), Sue Emmons (Chief Accountant), Will Mace (Corporate Governance & Strategy Manager), Oliver Nelson (Public Protection Manager) (for agenda items 1-5), Phoebe Batchelor (Democratic Services Officer) and Angela Guest (Democratic Services Officer)

38 QUESTIONS AND STATEMENTS FROM THE PUBLIC

A Member of the Public submitted two questions prior to the meeting and written responses were provided prior to the meeting as attached to the agenda for the meeting. Two supplementary questions were also provided which the Vice Chair read out to the Committee and verbal responses were given by the Chair:

Q1 response: We will do our best to get reports out on time and ahead of time if possible. Sometimes that isn't possible because of the reports, but we will have a discussion and see if we can actually publish them early and going forwards, depending upon what's in the agenda. As can be seen, the agenda is quite large and there is a lot of work that goes on behind the scenes, but I will take that forward to see if we can bring that forward.

Q2 response: The tangible examples of the audit and scrutiny function of this committee can be clearly seen by the agenda items today. We have a call-in item and we have a scrutiny item coming forward.

39 DECLARATIONS OF INTEREST

The Vice Chair, Councillor Phil Neale declared an interest in that he was present as a substitute at the Community & Wellbeing Committee where the decision on Bourne Hall was taken and was subject to call-in at item 4 on the agenda.

40 MINUTES OF THE PREVIOUS MEETING

The Committee confirmed as a true record the Minutes of the Meeting of the Committee held on **13 November 2025** and authorised the Chair to sign them.

41 CALL-IN OF THE DECISION OF THE COMMUNITY AND WELLBEING COMMITTEE MADE ON 13 JANUARY 2026 (ITEM 04) REGARDING THE OPTIONS FOR THE FUTURE OF BOURNE HALL MUSEUM

The Committee considered a report that invited the Audit and Scrutiny Committee to consider the call-in of a decision made by the Community and Wellbeing Committee, under Agenda Item No 4 “Options for the Future of the Museum” at its meeting on 13th January 2026. The call-in had been made in accordance with the procedures set out in Annex 4.6 – Overview, Audit and Scrutiny (including Call-in Procedure and Councillor Calls for Action) of the Council’s Operating Framework.

The following matters were considered:

- a) Councillor Alex Coley was given three minutes to address the committee as the main councillor requesting the call-in. He stated that there were missing reports from the Community and Wellbeing agenda which were pertinent to the decision and therefore the committee did not make their decision with all the relevant information. He had been told that the reports would be published with the agenda pack but instead there were highlights from them within the main report. He was also surprised that there was no mention of the two reports in the Audit & Scrutiny Committee report being discussed tonight. He spoke about the confusion and mixed messaging about the closure or potential closure of the museum, the exclusion of stewardship and governance questions and recharge costs that might not reflect the true cost of running the museum. He therefore called upon the Audit & Scrutiny Committee to request that the decision be taken again and the missing reports be circulated to enable a fully informed decision. The missing reports were the Bourne Hall Museum Service Review (May 2025) and the Epsom & Ewell Borough Council Culture Peer Challenge (August 2025).
- b) Councillor James Lawrence had requested to speak to this item and was also given three minutes to address the Committee. He claimed that this was part of a broader issue with failure to resource the committee system properly and cited an urgent decision as an example where decisions had been taken at committees without the full information. The report author was quoted as acknowledging, with hindsight, to the Community & Wellbeing Committee that they should have had the whole document rather than the executive summary. Councillor Lawrence went on to say that as the two reports were missing from the agenda today that Audit & Scrutiny Committee did not have adequate information to know whether the decision taken at Community & Wellbeing Committee was correct and therefore encouraged the decision of Audit & Scrutiny Committee to recommend withdrawal of the original decision and for Community & Wellbeing Committee to reconsider the entire item with the missing reports as part of the agenda pack.
- c) Councillor Clive Woodbridge, as Chair for the Community & Wellbeing Committee was given three minutes to address the Committee. He stated that the Community & Wellbeing Committee had had a good discussion on this item and was given all the relevant information from both missing reports. They were excluded from the agenda pack, and an executive decision format was used to help council members, so they didn’t have to wade through volumes of information. The pertinent points

from both reports were fully covered in the main report. He felt that all the relevant information was there and that the members had all the information that they needed to make the decision. It was also worth noting that there were three options before committee on that evening. One was to carry on as normal, one was to enhance the museum service with some investment, and the third option broadly was to close the museum. Both the reports said that the museum was of value and did not recommend closure. Both the reports said that at present it was lacking in certain areas and that certain changes needed to be made. Councillor Woodbridge believed that the decision the committee reached was fully in line with the reports and had the reports in their entirety been included that it would not have altered that outcome. The decision was unanimous and the recommendation to Strategy & Resources Committee was also a mechanism by which the council could review the decision. The committee members had also received a briefing in detail on the museum and requested that Audit & Scrutiny Committee leave the decision unamended as the report also needed to go to Strategy & Resources for the financing of the decision and any changes could be made there.

- d) In response to a Member question the Chair explained that a meeting had been arranged with committee members prior to committee just to ensure that members were fully briefed on several items on the agenda and their role/process with a call-in as the council had not dealt with one in over 10 years. Also, the link to the LGA cultural report could be included in the minutes for this meeting. The service review was an operational document and therefore restricted. Any member wishing to have a copy would need to speak with the Chief Executive.
- e) A Member requested legal advice as he believed if a committee was going to discuss background documents such as the LGA Peer Challenge Review in this case, that the document should be attached to the agenda and made public and not just send a link to members on where to find that document. The Chair reiterated that members were being asked to consider whether there was a lack of information for the decision to be taken and if so then this committee could make recommendations to the Community & Wellbeing Committee it was not a diktat and the Community & Wellbeing Committee could either accept the Audit & Scrutiny recommendations, or not. The Principal Solicitor was unable to respond to the specific question but would provide a response following the meeting. However, he did support the Chair's view that committee were to consider whether there was a lack of information for Community & Wellbeing Committee to make their decision.
- f) A previous member of the Community & Wellbeing Committee stated that she was not surprised this item had been on the agenda or the options for decision and was not sure whether she would have needed the other two documents to make a decision.
- g) A Member cited Councillor Coley in saying that the Committee were being asked to decide whether receipt of the service review would have caused a different decision to be made. He asked how, without the document available tonight how the committee were supposed to judge the relevance of that report. He also reiterated that the peer challenge report should have been made public and read from the public record of the report regarding financial information being skewed due to the apportionment of costs to Bourne Hall giving a false picture of the running cost of the museum. That was a major problem that the Community and Wellbeing Committee should have been informed of, and he could not see this reflected in the report the committee received. That was crucial information not given to the committee.

- h) The Head of Operational Service stated that he and his team were responsible for the report and presented operational evidence and what options were looked at. The reports received at committee contained all the operational information needed in the summary. Regarding the finances, the LGA report spoke of was the central service costs and rental of the building. Rental of the museum was about £130k and central services cost approximately £32k. Officer were asked to look at options and could only come up with the three that were offered. The Strategy & Resources Committee would look deeper at the finances.
- i) Councillor Woodbridge gave further clarification by pointing out paragraphs 4 and 4.1 of the main report which gave a budget breakdown including employee costs, accommodation, central services and insurance was a central recharge. He stated that the term skewing was relating to the headline figures which are skewed heavily by the central recharges rather than operational costs of running the museum. He reiterated that he believed Community & Wellbeing Committee had enough information to rely on to make their decision.

Councillor Ames proposed that recommendation c be put to the vote. Councillor Watson seconded the motion.

Following consideration the Committee resolved (three for, two against and the Chair not voting):

That the called-in decision should be referred to the relevant policy committee with a view to its being withdrawn / rescinded and the decision being re-taken.

The Vice Chair declared an interest in that he was present as a substitute at the Community & Wellbeing Committee where this decision was taken even though he did not vote he withdrew from the room whilst the Audit & Scrutiny Committee considered the call-in.

Councillors Steve Bridger and Anthony Froud left the meeting at 20:20hrs and returned at 20:35hrs

Councillor Phil Neale returned to the room at 20:21hrs

42 COMMUNITY SAFETY PARTNERSHIP ANNUAL REPORT

The Committee received a report that updated the Committee on the work of the Epsom and Ewell Community Safety Partnership.

The following matters were considered:

- a) In response to a member question regarding statistics that back up the narrative and show where an action in one area had an effect on another area it was reported that the Partnership was heavily reliant on police statistics and that a lot of information goes through the Partnership.
- b) In response to a Member question about attendance the Public Protection Manager reported that there had been some gaps in the past at the Community Safety Partnership (CSP) meetings which were more technical and operational. There was not so much issue at the Executive

meetings which were attended by senior officers. The Chair of CSP had written to urge attendance.

Following consideration the Committee unanimously resolved to:

(1) Note and the work of the Epsom and Ewell Community Safety Partnership (CSP).

43 LOCAL GOVERNMENT & SOCIAL CARE OMBUDSMAN (LGSCO) AND INFORMATION COMMISSIONER'S OFFICE (ICO) UPDATES

The Committee considered a report that contained information on recent council complaint decisions from the Local Government and Social Care Ombudsman (LGSCO) and the Information Commissioner's Office (ICO), as well as an update on data breaches and new legislation.

The following matters were considered:

- a) A Member stated that she was happy that the council were closing mail boxes and enquired about what was considered important when considering retention. The Assistant Director for Corporate Services explained that one must not hold on to anything no longer needed which can be a very subjective decision. Data protection legislation states that if it is no longer needed or no longer valid it should be deleted. It was also important consider storage of any kept information in the correct place.
- b) A Member asked whether there were any specific problems that needed to be addressed when it came to transitioning information as part of the Local Government Reorganisation. The Assistant Director for Corporate Services reported that there was a whole workstream on data protection for the LGR and much work would be undertaken over the coming year.

Following consideration the Committee unanimously resolved to:

(1) Note the report.

44 EXTERNAL AUDIT UPDATE

The Committee considered a report that presented the 2024/25 Statement of Accounts, Grant Thornton's Audit Findings Report, letter of representation and the Auditor's Annual Report following the external audit.

The following matters were considered:

- c) **Role of the Committee.** In response to a member question the Chair confirmed that the Committee would not be separating the Scrutiny from the Audit role and would continue to do both.
- d) **Transparency.** With reference to the Auditor's Annual Report a Member asked what led to the finding of significant weakness last year that's relevant to the issue of the increased engagement between senior officers and the external audit team. The Director of Corporate Services confirmed that this was due to officers not promptly discussing some

issues with external auditors, but they had learned lessons and make sure timely discussions are had with external auditors. There had been a massive improvement in the governance section of the assessment with was now showing as Amber rather than Red. The Auditor confirmed that regular dialogue happened with both the S151 Officer and the Chief Executive.

- e) **Financial Sustainability.** A Member asked how the recommendation on financial sustainability had been implemented in the 2026-27 budget and how had this been achieved. The Director for Corporate Services explained that the accounts being looked at were the 2024/25 budget, but that more detailed papers had been published as part of the full Council agenda that explained how the 2026/27 budget had been balanced. He went on to explain that the council had had a favourable fair funding review as well as receiving various grants that were not expected. In July, a position of approximately £5 million deficit was reported and now we're reporting a deficit of just over half a million over the same period. The Council is bound by law that to have set a balanced budget and the Council is in a much better position that it was in 2024/25.

Following consideration the Committee unanimously resolved to:

- (2) **Approve the Statement of Accounts for the year ended 31 March 2025;**
- (3) **Receive the Audit Findings Report for 2024/25;**
- (4) **Note the management action in response to the audit recommendations detailed on page 39 of the Audit Findings report;**
- (5) **Authorise and agree that the Chair or Vice Chair of Audit and Scrutiny Committee and the Director of Corporate Services and Section 151 Officer (Chief Finance Officer) sign the Statement of Accounts and Letter of Representation on behalf of the Council;**
- (6) **Nominate and authorise the Director of Corporate Services and Section 151 Officer (Chief Finance Officer), in consultation with the Chair or Vice Chair of Audit & Scrutiny Committee, to make any necessary further amendments to the 2024/25 Statement of Accounts;**
- (7) **Note the management actions in response to the recommendations in the Auditor's Annual Report (Value for Money).**

45 REVENUE BUDGET MONITORING - QUARTER 3

The Committee considered a report that presented the forecast revenue outturn position for the current financial year 2025/26, as at quarter 3 (31 December).

There was no further discussion.

Following consideration the Committee unanimously resolved to:

- (8) Receive the revenue budget monitoring report, which sets-out a projected deficit of £520,000 for 2025/26;**
- (9) Note that the final outturn position will be reported to the Strategy & Resources Committee in July 2026, then to this committee in the Statement of Accounts in autumn.**

46 CAPITAL BUDGET MONITORING QUARTER 3

The Committee considered a report that set out the capital monitoring position at quarter 3 for the current financial year 2025/26.

The following matter was considered:

- f) Stew Ponds. A Member expressed concern about delayed projects such as the stew ponds and the impact it might have on Section 106 (S106) or Community Infrastructure Levy (CIL) funds in that if funds are not spent before being reorganised then Epsom and Ewell would be disadvantaged if it gets put into a combined pot. The Chief Accountant explained that Stew Ponds was to be funded by capital receipt rather than S106 or CIL and the reason for delay was the quotes received were significantly higher than budgeted for. She went on to say that S106 were legal agreements that specified what it was to be spent on so one could assume that those funds would stay in Epsom & Ewell. It was also believed that CIL funds stayed in the area it had been levied and not dispersed to other areas of East Surrey, but this would be confirmed following the meeting.

Following consideration the Committee unanimously resolved to:

- (10) Receive the capital monitoring position at quarter 3, as set out in the report:**
- (11) Note the progress of capital projects as set out in Appendix 1.**

47 EQUITY, DIVERSITY AND INCLUSION (INC. MODERN SLAVERY) ANNUAL REPORT 2025-26

A report that summarised the activities undertaken in 2025-2026 by the Council to progress its Diversity, Equity and Inclusion Framework was considered. The Framework included three thematic objectives that demonstrate how the council was meeting its responsibilities under the public sector equality duty.

There was no further discussion and the Chair thanked officers for the large amount of work undertaken.

Following consideration the Committee unanimously resolved to:

- (2) **Note and comment on the activities undertaken in 2025-2026 by the Council to progress our Diversity, Equity and Inclusion Framework (Appendix 1).**

48 PERFORMANCE AND RISK REPORT – FEBRUARY 2026

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

There was no further discussion.

Following consideration the Committee unanimously resolved to:

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

49 CODE OF CORPORATE GOVERNANCE ANNUAL REVIEW 2025

The Council's Code of Corporate Governance - 'the Code' - was updated and brought to the Committee in November 2024. The Code sets out the principles of good governance, and the arrangements the Council has in place to demonstrate its compliance with them. As part of best practice, the Code is reviewed annually by officers and submitted to the Audit and Scrutiny Committee. Attached at Appendix 1 is an updated Code, representing changes since last year's edition.

The following matter was considered:

- g) **Standards.** A Member asked about whether in the light of reorganisation that there could be any scaling back of the workload and there was the Standards and Constitution Committee where work could be scaled back – or is this something the council will have to continue. The Corporate Governance and Strategic Manager explained that the council would need to remain compliant up until it merges to a new authority. Therefore, all policies and other key documents would continue to be reviewed. With regards to the work of Standards and Constitution Committee a written response would be sought from the Chair of that committee following this meeting.

Following consideration the Committee unanimously resolved to:

- (13) **Note the updated Code of Corporate Governance attached at Appendix 1.**

50 WORK PROGRAMME - FEBRUARY 2026

The Committee received a report that set out the Committee's rolling annual Work Programme.

Councillor Lawrence attended the meeting and made a statement.

The following matters were considered:

- h) Proposed items from Cllr Ames.** The Chair explained that a further proposal for scrutiny had been made by Cllr Ames and it was for the Committee to decide if this goes on the workplan. He explained that the method of getting an item on the agenda was not prescriptive and he was minded to request that Standards & Constitution Committee look at amending the framework document. The item proposed by Cllr Ames was do with Urgent Decision 158 (UD158) and the process in which that was taken. It was an exempt officer decision. That decision could not be reviewed or undone but the committee could propose improvements to the process for future use.
- i) Legal Powers.** A Member stated that he had never had an answer to his previous question on whether the officer who took UD158 had the power to make that decision an exempt one. He also stated that officers needed to make it clear in future why something was exempt and the legal basis for that. The Principal Solicitor stated that he was unable to respond to that question tonight and that it would form part of the scrutiny debate.

Cllr Ames proposed an additional item for the workplan looking at the processes of exempt urgent decisions. This was seconded by Cllr Bridger.

Following consideration the Committee resolved (6 for and chair not voting) to agree the motion put by Cllr Ames.

- j) Workplan.** The Chair explained that the additional item would be put onto the future work programme and brought to Committee as soon as possible. The work programme needed to be populated with statutory items for the coming year. The item previously proposed by Cllr Ames was listed on the workplan for March because there were no further committee dates beyond March. It was reported that it was extremely unlikely it would come to the March committee meeting but that the committee would be notified as soon as possible if it wasn't.

Following consideration the Committee unanimously resolved to:

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

The meeting began at 7.30 pm and ended at 9.40 pm

COUNCILLOR STEVEN MCCORMICK (CHAIR)

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ANNUAL PROCUREMENT WAIVER REPORT 2025

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Will Mace
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1: 2025 Waiver Table

Summary

This report provides the Committee with an overview of the procurement Waivers between January 2025 and December 2025. In the year there were a total of fourteen waivers, with a cumulative spend of £479,121.

Recommendation (s)

The Committee is asked to:

- (1) Note the Waivers used in 2025.

1 Reason for Recommendation

- 1.1 To provide the Committee with oversight of Waiver usage at the council.

2 Background

- 2.1 A procurement waiver is the formal approval to depart from a council's Contract Standing Orders (or Procurement Rules), allowing a contract to be awarded without following the standard process.
- 2.2 Essentially a Waiver is permission to bypass normal tendering requirements in justified circumstances. Typical reasons include:
 - 2.2.1 Only one supplier is genuinely available
 - 2.2.2 Unavoidable urgency
 - 2.2.3 Short-term extensions of existing contracts
 - 2.2.4 Highly specialised or proprietary services
 - 2.2.5 Situations where competition is not possible or practical / cost-effective

- 2.3 A waiver must be formally justified, authorised by two senior officers, and recorded. Waivers are not permitted for 'Above Threshold' procurements, which are governed by the Procurement Act 2023. The current Threshold is £166,176 ex. VAT for goods, services and minor works, and £4,154,400 for substantial works.
- 2.4 The rules on Waivers, and which officers are authorised to sign them, are available in Section 21 of the [Contract Standing Orders](#) (Annex 5-2 of the council's Operating Framework).
- 2.5 All Waivers are reviewed by External and Internal Audit. They were examined as part of the Procurement Audit
- 2.6 Officers have received training in the year, on procurement rules and how to procure goods, services, and works in a compliant manner.

3 2025 Waivers

- 3.1 The total number of waivers approved in 2025 was 14, with an overall expenditure of £479,121, and average value of £34,223.
- 3.2 The highest value waiver related to the Planning Inspectorate, which supported the council Planning Policy team during the Epsom and Ewell Local Plan Examination. This service was required for a 12-month period and had a total value of £100,000.
- 3.3 To view the 2025 Waiver table please see Appendix 1

4 Risk Assessment

Legal or other duties

- 4.1 Equality Impact Assessment
 - 4.1.1 No direct implications from this report.
- 4.2 Crime & Disorder
 - 4.2.1 No direct implications from this report.
- 4.3 Safeguarding
 - 4.3.1 No direct implications from this report.
- 4.4 Dependencies
 - 4.4.1 No direct implications from this report.
- 4.5 Other

- 4.5.1 If committee members have a detailed question(s) on particular elements of this report (including its appendices), it is requested that these be submitted in advance of the meeting where possible, to enable officers time to prepare complete answers.

5 Financial Implications

- 5.1 The level and value of procurement waivers used during 2025 are consistent with the Council's operational activity and reflect circumstances where a compliant alternative procurement route was not practicable. All waivers were subject to appropriate justification and authorisation in line with Contract Standing Orders.
- 5.2 **Section 151 Officer's comments:** There are no direct financial implications arising from this report beyond the spend already contained within approved budgets. Procurement activity and waiver trends will continue to be monitored to ensure value for money and strong financial governance.

6 Legal Implications

- 6.1 **Legal Officer's comments:** None arising from the content 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 included within the current Service Delivery Plan.
- 7.3 **Climate & Environmental Impact of recommendations:** No direct implications from this report.
- 7.4 **Sustainability Policy & Community Safety Implications:** No direct implications from this report.
- 7.5 **Partnerships:** No direct implications from this report.
- 7.6 **Local Government Reorganisation Implications:** No direct implications from this report.

8 Background papers

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

Previous reports:

- None.

Other papers:

- None.

2025 Waiver Table

No.	Date	Supplier	Service	Cost	Length	Service	Reason
WVR111	21/01/25	JSW Planning	Planning	£10,000	10 weeks	Interim consultant project resource to support the work of the Planning Policy team in preparing Local Plan submission	Employment contract, exempt from Contract Standing Orders.
WVR112	21/01/25	Banks Solutions Ltd	Planning	£20,000	18 months	Provision of a Programme Officer for the day to day administration of the Local Plan examination	Speed: accelerated Local Plan timescale.
WVR113	10/02/25	Ocular Integration	Housing and Community	£19,461	12 months	CCTV data transmission and hosting	Only one supplier had the hardware and software knowledge of the proprietary product architecture deployed on this CCTV scheme.
WVR114	10/03/25	The Planning Inspectorate	Planning	£100,000	12 months	The Epsom and Ewell Local Plan Examination	The Planning Inspectorate was the only organisation that could independently examine the Epsom and Ewell Local Plan on behalf of the Secretary of State.
WVR115	13/05/25	Blue Gnu	Chief Exec.'s Office	£14,800	3 months	Management Training Services	Switching supplier was not practical or cost-effective given the previous training and assessments this provider had delivered to the council.
WVR116	29/05/25	Positive Arts	Housing and Community	£14,000	4 months	Delivery of community mural and attributed workshop	A trusted supplier, i.e. one the council had previously worked with successfully, was required to be included in the funding bid for this project. Hence an alternative couldn't be considered when the procurement was undertaken following the outcome of the bid.
WVR117	27/05/25	Plan Alpha	ICT	£29,540	1 year	Website Hosting	Switching to an alternative supplier would have been cost

							prohibitive, resource intensive, and there was insufficient time to scope a full tender exercise.
WVR118	27/05/25	Maple Networks	ICT	£36,000	1 year	SOC Renewal	Switching to an alternative supplier would have increased costs, required additional resource, and there was insufficient time to scope a full tender exercise due to unexpected reduction in internal capacity.
WVR119	29/05/25	Association of Electoral Administrators	Legal	£68,000	1 year	CGR Consultancy Advice (it is unlikely that this full cost will be spent, given the outcome of the CGR review)	Speed: project timescale and increasing market demand for a limited number of suppliers in the market.
WVR120	05/06/25	NatWest	Finance	£57,000	3 years	Banking Services	Switching supplier was not cost-effective, given the resources required to do so and value of the contract.
WVR121	11/06/25	Arc GIS ESRI	ICT	£18,670	1 year	Mapping and analysis solution	Switching to an alternative supplier was cost and resource prohibitive, related to data migration and testing, deployment and training on new systems required for a front line service.
WVR122	07/08/25	Maple Networks Ltd	ICT	£15,000	one off	Creation of Cyber Security Response Plan	Switching suppliers was not a viable option due to the nature of the work, whereby a robustly vetted security partner with in-depth knowledge of council systems was required.

WVR123	18/09/25	Victoria Forms	Revenues and Benefits	£62,000	5 years	Suite of forms enabling residents to apply for Housing Benefit and Council Tax Income Discount online	Switching supplier was not cost-effective as market investigations revealed alternative products did not integrate 'out of the box' with current council systems, and would require significant development to specify and build (with assistance from external consultants).
WVR124	15/12/25	Carter Jonas	Corporate Services	£14,650	one off	Survey of Rainbow Leisure Centre	Choosing an alternative supplier was not possible given the previous in-depth knowledge the chosen supplier had regarding the structure/fabric/plant machinery used at the Rainbow and the timescale in which this survey was required.

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COMPLAINTS REPORT APRIL 2025 - DECEMBER 2025

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

Summary

This report details Stage 1 and Stage 2 complaints received by the Council from 01 April 2025 to 31 December 2025.

Recommendation (s)

The Committee is asked to:

- (1) **Note the contents of the report covering all complaints received by the Council between 01 April 2025 – 31 December 2025.**

1 Reason for Recommendation

- 1.1 To bring to the attention of the Committee all complaints received between April 2025 – December 2025 and to advise of any actions taken and lessons learned.

2 Background

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

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

3 Complaints Received between 01 April 2025 – 31 December 2025

- 3.1 Appendix 1 contains four tables of statistics which are explained below.
- 3.2 Table 1 shows the total number of complaints broken down by service area and complaint stage, received between April 2025 and December 2025.
- 3.3 Table 2 shows the number of complaints broken down by service area team and complaint stage between April 2025 and December 2025.

- 3.4 Table 3 shows the number of complaints by service area responded to in and out of time at both stage one and stage two between April 2025 and December 2025.
- 3.5 Table 4 shows the number of complaints upheld and not upheld by service area responded to between April 2025 and December 2025.

4 Operational Services

- 4.1 Due to the volume of work completed by Operational Services (approximately 500,000 bin collections per month), they invariably receive the highest number of complaints. The Customer Services team therefore provide some additional support and collaborate with Operational Services when responding to complaints. This differs to other service areas who generally respond to their own complaints.
- 4.2 Operational Services have seen a reduction in the actual number of complaints received, however, their overall share of complaints when compared with the rest of the organisation has increased by 10%. This could be explained by other service areas also having had a lower number of complaints than compared to last year.
- 4.3 The main reasons for these complaints were missed collections, bins not being set back properly, poor service received and staff behaviour. The complaint category split is service delivery failure 88%, staff behaviour/conduct 11%, and 1% policy failure. The 2024 figures followed a similar pattern with Service delivery failure being the main reason at 90% Staff behaviour/conduct at 9% and Policy failure at 1 %.
- 4.4 The upheld vs not upheld rates for stage 1 and 2 complaints differ from last year, with 88% of stage 1 complaints upheld this year compared to 78% last year. Stage 2 complaints saw 93% being upheld this year compared with 65% last year. The increase in upheld complaints could be attributed to known issues with resourcing the general waste and recycling collections as well as garden waste collections.
- 4.5 There has been a decline in the number of stage 1 complaints being resolved in time, with 48% this year, opposed to 67% last year. There was an improvement in the stage 2 response times with 100% being responded to on time this year compared with 75% last year.
- 4.6 A low percentage of stage 1 complaints escalated to stage 2, (8%), this indicates that generally complainants are satisfied with the outcome of their stage 1 complaint.
- 4.7 A lesson learned through complaints for the Street care Team is the importance of communicating at regular intervals with internal teams and/or residents, to ensure regular updates in case of unforeseen delays.
- 4.8 For example, there was an issue with the installation of a piece of street furniture. This issue wasn't communicated to the resident or the Contact

Centre (meaning the resident wasn't updated), This resulted in a complaint being submitted due to a perceived lack of action on this service request. Street care management have advised that they will be more proactive with updating regarding any delays and teams have been reminded of this and are looking to improve timescales

5 Housing and Communities

- 5.1 Housing and Communities received the second highest number of complaints within the Council, which follows from the same period last year.
- 5.2 Housing and Parking are both areas within which high tension situations between Officers and the Public can arise. For example, the issuing of a Penalty Charge Notice in a Council Car Park, or the Council's refusal to house a member of public. In situations such as these, the complaint can be unfairly made against the individual member of staff, rather than the policy or process.
- 5.3 The total number of complaints received across both stages has seen a 3% reduction when compared with the same period last year.
- 5.4 There were a similar percentage of complaints upheld at stage 1 this year (63%) when compared with last year (60%). Stage 2 complaints saw an increase in the number upheld with 60% this year, compared with 33% last year, however this is based on relatively low numbers.
- 5.5 There was a slight decrease in the percentage of complaints responded to on time at stage 1, with 58% this year, compared to 64% last year. There was an improvement in the number of stage 2 complaints responded to on time, with 50% this year compared with 0% last year.
- 5.6 The complaint category split this year is as follows; service delivery failure 72% which is an increase compared with last year, Staff behaviour/conduct 28% which is identical to last year, and Policy failure 0%, which is a reduction from last year (6%).
- 5.7 25% of complaints escalated to stage 2, which is more than last year, but this is based on relatively low numbers of complaints overall.
- 5.8 On lessons learned, during office hours trained enforcement officers carry out duties working on the front desk in the Ashley Centre Car Park. Experience has taught us the importance of a more diplomatic and customer friendly approach where a more pragmatic solution may be available to resolve the issue at hand. Conversations have taken place with officers where they are encouraged to reflect on how best to resolve an issue for the best outcome for all. The importance of allowing a customer to explain the problem rather than making a quick assumption on what the issue might be is encouraged.

6 Place Development

- 6.1 It is worth noting that a complaint cannot be made about a planning application decision. The applicant should appeal directly to the Planning Inspectorate regarding the decision. Similarly, Planning Enforcement complaints are also dealt with separately and work to the process set out in the Council's "Planning Enforcement Plan".
- 6.2 Complaints regarding the service provided by the Planning/Enforcement staff, the process they have followed, or policy failures will be accepted by the Council.
- 6.3 This service area has seen a reduction in the number of complaints compared with the same period last year, decreasing from 15% of overall complaints to 7%. Last year saw a spike in the number of complaints for this service area due to a Planning Committee meeting that attracted several complaints but this year's figure closely matches that of the year before last (6%).
- 6.4 There has been an increase in the number of complaints that have been upheld at stage 1, with 27% this year compared to 9% last year. At the time of writing no stage 2 complaints have been upheld, which is a decrease from the 5% upheld last year.
- 6.5 Both stage 1 and stage 2 complaints saw 40% completed on time, this is an increase at stage one compared to last year (36%) and a decrease at stage two compared to last year (45%).
- 6.6 53% of complaints escalated from stage 1 to stage 2 which is similar to last year.
- 6.7 The complaint category split is 96% service delivery failure and 4% policy.
- 6.8 A lesson learned through complaints for the Place Development team is the importance of internal and external communication. In three of their complaints the cause of the dissatisfaction for the complainants was a lack of communication and updates. Response timescales for emails have been clarified and added to the relevant Team Charter to ensure all team members are aware of these response timescales.

7 Policy & Corporate Resources

- 7.1 This service area attracted 3% of all complaints, which matches the figure from last year.
- 7.2 The number of stage 1 complaints upheld this year has almost halved, with 33% upheld this year compared to 73% last year. There were no stage 2 complaints upheld this year, which is a decrease from 100% last year.

- 7.3 There has been a reduction in the number of stage 1 complaints responded to on time with 50% this year compared to 73% last year. 100% of stage 2 complaints were responded to on time this year which matches the figure from last year.
- 7.4 The conversion from stage 1 to stage 2 was higher this year with 50% of complaints escalating, compared to 8% last year, although this is based on a low number of complaints overall.
- 7.5 All complaints for this service area relate to service delivery failure.
- 7.6 A lesson learned for the contact centre when dealing with incoming emails was that a customer complaint was submitted about the progression of a PCN. The email was not logged by the contact centre as they assumed it was dealt with by the cc'd specific team. The team have been reminded in instances such as this, to check with the team in question that they have received the email, and if in doubt, it should be logged as incoming correspondence in line with their standard procedure for dealing with incoming emails.

8 Finance, Revenues and Benefits

- 8.1 This service area attracted 5% of all complaints which matches the overall figure for the same period last year.
- 8.2 There was a decrease in the number of stage 1 complaints upheld this year (15%) compared to the 25% last year. There were no upheld stage 2 complaints this year which follows from last year.
- 8.3 All stage 1 complaints were responded to on time this year, compared to (69%) last year. Stage 2 complaints responded to on time mirror last year at 33%.
- 8.4 The escalation to stage 2 is slightly higher than last year at 23%.
- 8.5 The main complaint category for this service area is 94% service delivery failure, with one complaint (6%) for discrimination which was not upheld.
- 8.6 An example of a lesson learned in this service area can be seen from a complaint that the Revenues Team received. The complaint involved an officer referencing historic information. This caused the resident distress as they believed that there had been a previous miscalculation. They complained about the distress and confusion. The team were reminded about the need to verify details. Officers have been reminded to be proactive in updating all account information where required. This is being monitored monthly as part of accuracy checks.

9 ICT

- 9.1 This service area received one complaint which was resolved at stage 1, this mirrors last year. The complaint was responded to on time, and it was upheld under service delivery failure.

10 Property and Regeneration

- 10.1 This service area received one complaint which was resolved at stage 2, which is a reduction from the two complaints received last year. The complaint was responded to on time at stage 2 and the complaint was not upheld. The complaint category was service delivery failure.

11 Legal, Democratic and Electoral Services

- 11.1 No complaints received (reduction from 5 last year).

12 People and Organisational Development

- 12.1 No complaints received.

13 Summary

- 13.1 Overall complaint numbers have decreased year on year. This decrease is likely due to issues in the previous year with Garden Waste collections over the summer, and high-profile council meetings, both of which attracted an increased number of complaints.
- 13.2 The percentage of complaints upheld and not upheld follow a similar pattern to 2024, however there has been an increase in upheld complaints in Operational Services. Customer Services will be working with Operational Services to address this increase.
- 13.3 There has also been an increase in the number of complaints responded to out of time. Officer workload has been a factor in this increase. The majority of these come from Operational Services, where Customer Services have received delayed responses when assisting with their complaints.
- 13.4 Overall complaint categories are similar to last year, with 87% service delivery failure, 12% staff conduct, 0.5% policy failure and 0.5% discrimination.
- 13.5 Later this year Audit & Scrutiny Committee will be presented with the Local Government Ombudsman Annual Review Letter. Along with this, the Committee will also be presented with the council's self-assessment against the Ombudsman's Complaint Handling Code.

14 Risk Assessment

Legal or other duties

14.1 Equality Impact Assessment

14.1.1 No direct implications

14.2 Crime & Disorder

14.2.1 No direct implications

14.3 Safeguarding

14.3.1 No direct implications

14.4 Dependencies

14.4.1 No direct implications

14.5 Other

14.5.1 No direct implications

15 Financial Implications

15.1 **Section 151 Officer's comments:** There are no direct financial implications arising from this report; however, learning from upheld complaints and improving response times can help mitigate avoidable costs.

16 Legal Implications

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

17 Policies, Plans & Partnerships

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

- Effective Council

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

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

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

17.5 **Partnerships:** No direct implications.

17.6 **Local Government Reorganisation Implications:** No direct implications.

18 Background papers

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

Previous reports:

- Complaint Report April 2024 – December 2024.

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Appendix 1 – Audit & Scrutiny, Complaint Report April 2025 – December 2025, Tables of Statistics

Table 1 below shows total complaints by service area, further broken down into complaint stages between April 2025 and December 2025. The second table on this page is the equivalent data set for the same period in 2024.

Service Area (April – December 2025)	Total Council Complaints (ALL stages)	Total Percentage Breakdown (ALL stages)	Stage 1	Stage 1 (%)	Stage 2	Stage 2 (%)
Operational Services	200	67%	186	71%	14	36%
Housing and Community	50	17%	40	15%	10	26%
Place Development	23	7%	15	6%	8	21%
Policy and Corporate	9	3%	6	2%	3	7%
Finance , revenues & Benefits	16	5%	13	5%	3	7%
ICT	1	1%	1	1%	0	0%
Legal, Democratic & Election Services	0	0%	0	0%	0	0%
People and Organisational Development	0	0%	0	0%	0	0%
Property & Regeneration	1	1%	0	0%	1	3%
Totals:	300	N/A	261	N/A	39	N/A

Service Area (April – December 2024)	Total Council Complaints (ALL stages)	Total Percentage Breakdown (ALL stages)	Stage 1	Stage 1 (%)	Stage 2	Stage 2 (%)
Operational Services	262	57%	242	92%	20	8%
Housing and Community	92	20%	86	93%	6	7%
Place Development	67	15%	45	67%	22	33%
Policy and Corporate	12	3%	11	92%	1	8%
Finance , revenues & Benefits	19	5%	16	84%	3	16%
ICT	1	0%	1	100%	0	0%
Legal, Democratic & Election Services	5	1%	5	100%	0	0%

Appendix 1 – Audit & Scrutiny, Complaint Report April 2025 – December 2025, Tables of Statistics

People and Organisational Development	0	0%	0	0%	0	0%
Property & Regeneration	2	0%	2	100%	0	0%
Totals:	460	N/A	408	N/A	52	N/A

Table 2 shows complaint breakdown by stages. *Please note there were no complaints for Legal, Democratic & Election Services and People and Organisational Development, therefore these service areas have been removed from the tables below (but are included in Table 1 above).

	Operational Services							Housing & Communities						Place Development				Policy & Corporate Resources			Financial Services			Property & Regeneration	IT	
	Refuse & Recycling	Grounds Maintenance	Venues	Streetcare	Markets	Allotments	Cemeteries	Environmental Health	Car Parks	Enforcement	Licensing	Housing	Community Support	Grants	Planning	Planning enforcement	Planning policy	Trees	Contact Centre	Business Support	Procurement	Council Tax	Benefits	Finance	Estates	IT
Stage 1	163	7	0	12	2	0	2	5	12	2	3	15	2	1	12	2	0	1	1	1	4	11	2	0	0	1
Sub Total:	186							40							15				6			13			0	1
Stage 2	10	0	1	2	0	0	1	3	2	0	1	4	0	0	5	3	0	0	0	0	3	3	0	0	1	0
Sub Total:	14							10							8				3			3			1	0
Total:	200							50							23				9			16			1	1

Appendix 1 – Audit & Scrutiny, Complaint Report April 2025 – December 2025, Tables of Statistics

Table 3 shows complaints responded to in time and out of time by service area. *Please note there were no complaints for Legal, Democratic & Election Services and People and Organisational Development, therefore these service areas have been removed from the tables below (but are included in Table 1 above).

Service Area	Stage 1 In time		Stage 1 Out of Time		Stage 2 In Time		Stage 2 Out of time		Withdrawn		In progress	
Operational Services	90	48%	84	45%	14	100%	0	0%	2	1%	10	5%
Housing and Community	23	58%	14	35%	5	50%	5	50%	3	8%	0	0%
Place Development	6	40%	8	53%	4	40%	1	10%	2	13%	2	20%
Policy and Corporate	3	50%	3	50%	3	100%	0	0%	0	0%	0	0%
Finance, revenues & Benefits	12	100%	0	0%	1	33%	1	33%	1	8%	1	33%
ICT	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Property & Regeneration	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%
Totals:	135	N/A	109	N/A	28	N/A	7	N/A	8	N/A	13	N/A

Table 4 shows complaints upheld and not upheld by service area. *Please note there were no complaints for Legal, Democratic & Election Services and People and Organisational Development, therefore these service areas have been removed from the tables below (but are included in Table 1 above).

Service Area	Upheld Stage 1		Not Upheld Stage 1		Upheld Stage 2		Not Upheld Stage 2		Withdrawn		In Progress	
Operational Services	164	88%	10	5%	13	93%	1	7%	2	1%	10	5%
Housing and Community	25	63%	12	30%	6	60%	4	40%	3	8%	0	0%
Place Development	4	27%	10	60%	0	0%	5	63%	2	13%	2	20%
Policy and Corporate	2	33%	4	67%	0	0%	3	100%	0	0%	0	0%
Finance, revenues & Benefits	2	15%	10	77%	0	0%	2	67%	1	8%	1	33%
ICT	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Property & Regeneration	0	0%	0	0%	0	0%	1	100%	0	0%	0	0%
Totals:	198	N/A	46	N/A	19	N/A	16	N/A	8	N/A	13	N/A

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PERFORMANCE AND RISK REPORT - MARCH 2026

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Will Mace, Corporate Governance and Strategy Manager
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 – Quarter 3 2025/26 Corporate Performance Report

Summary

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

Recommendation (s)

The Committee is asked to:

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

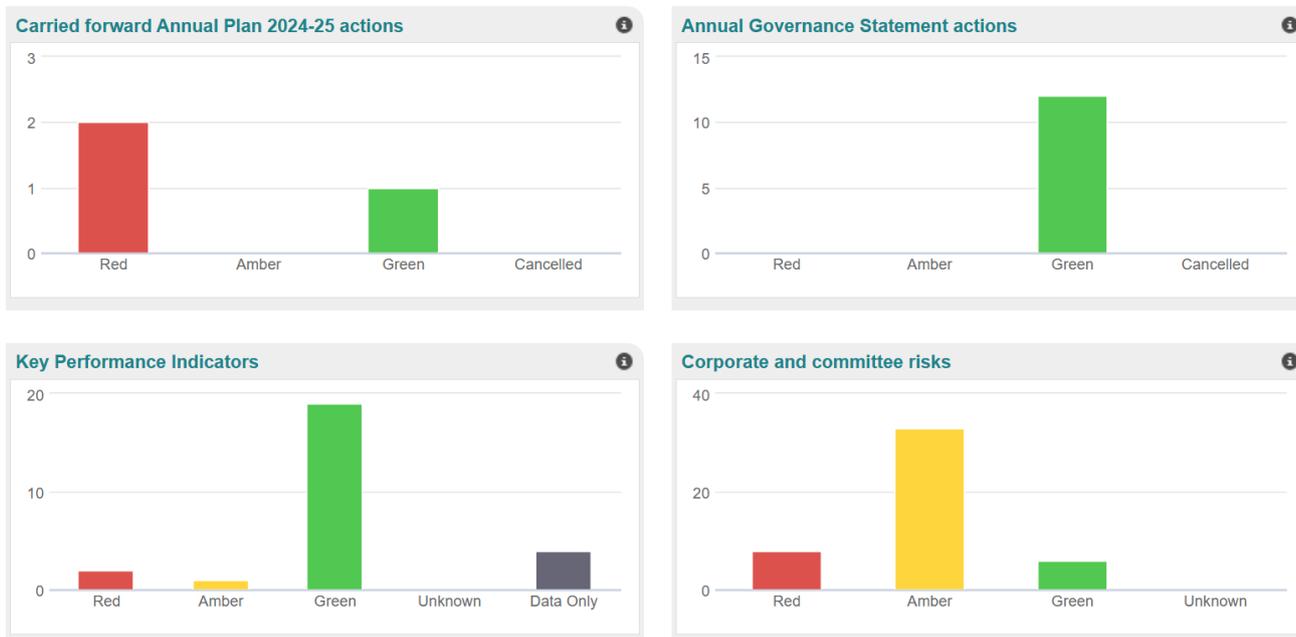
1 Reason for Recommendation

- 1.1 The terms of reference for this committee includes the responsibility for reviewing the performance of the council and the application of the Risk Management Strategy.

2 Background

- 2.1 The report in Appendix 1 provides the Quarter 3 2025-26 progress update. It consists of the outstanding annual plan actions from 2024-25, the latest key performance indicators, the corporate risk register, the policy committee risk registers, and the annual governance statement (AGS) actions. The AGS actions includes both outstanding actions from 2023-24 and those approved by the Audit and Scrutiny Committee on 17 July 2025.

Quarter 3 Performance Report (September 2025 - December 2025)



2.2 Carried forward Annual Plan 2024-25 actions

2.2.1 There are three remaining actions in Quarter 3. Two of these actions are red (ie more than 3 months behind schedule): deliver the ICT Strategy’s 2024/25 road map objectives and implement a programme of ‘modular homes’. The remaining action which is about delivering the in-year objectives of the Community Safety Action Plan has been completed (blue). For the latest detailed updates, please see Appendix 1.

2.3 Annual Governance Statement (AGS) actions

2.3.1 One of the three 2023/24 AGS actions are completed and the remaining two are on schedule.

2.3.2 Two of the eight 2024/25 AGS action is completed and the remaining six actions are on schedule.

2.4 Key Performance Indicators

2.4.1 The majority of the indicators are on or close to target. However, this one indicator is significantly off target (Red):

2.4.1.1 Number of households living in nightly paid accommodation

2.4.2 For the latest updates, please see Appendix 1.

2.5 Corporate Risks

2.5.1 Three risks are assessed as Red/High.

- 2.5.1.1 *Failure to balance the budget annually & MTFS*
- 2.5.1.2 *Risk of homelessness expenditure exceeding budget provision*
- 2.5.1.3 *Failure or interruption to IT services*

2.6 Committee Risks

- 2.6.1 Five risks are assessed as Red/High.
 - 2.6.1.1 *Failure to deliver services within agreed budget envelope (S&R Committee).*
 - 2.6.1.2 *Inadequate budget for homelessness over medium-long term (C&W Committee).*
 - 2.6.1.3 *Lack of affordable housing in the Borough (C&W Committee).*
 - 2.6.1.4 *Lack of officer capacity related to environmental health work (Environment Committee)*
 - 2.6.1.5 *Property Portfolio (S&R Committee).*

2.7 Key

2.7.1 Actions:

- *Red – Behind schedule by more than 3 months*
- *Amber - Behind schedule by up to 3 months*
- *Green – On schedule*
- *Blue – Completed*

2.7.2 Key Performance Indicators:

- *Red – Significantly off target*
- *Amber – Marginally off target*
- *Green – On target*
- *Note: The definition for red and amber levels is set for each indicator individually.*

2.7.3 Risks:

- *Red / High – Risk score of 12-16*
- *Amber / Medium – Risk Score of 4-9*
- *Green / Low – Risk score of 1-3*

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 No direct risks.

3.2 Crime & Disorder

3.2.1 No direct risks.

3.3 Safeguarding

3.3.1 No direct risks.

3.4 Dependencies

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

3.5 Other

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

3.5.2 If committee members have a detailed question(s) on particular elements of this report (including its appendices), it is requested that these be submitted in advance of the meeting where possible, to enable officers time to prepare complete answers in consultation with the relevant service manager.

4 Financial Implications

4.1 There are no direct financial implications arising from this report.

4.2 **Section 151 Officer's comments:** Overall, while the majority of indicators and actions are progressing well, the areas highlighted above warrant close attention to ensure that financial risks are managed effectively and that budgetary pressures are addressed in a timely manner.

5 Legal Implications

5.1 There are no direct financial implications arising from this report.

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

6 Policies, Plans & Partnerships

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

- N/A

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

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

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

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

- 6.6 **Local Government Reorganisation Implications:** 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:

- Epsom and Ewell Borough Council, *Quarter 2 2025-26 Corporate Performance Report*, Audit & Scrutiny Committee, 5 February 2026
Online available: [Epsom and Ewell Democracy](#) [last accessed 25/02/2026].

Other papers:

- None.

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Corporate Performance Report

Quarter 3 2025-2026

Annual Plan Progress

The four actions below have been carried forward from the **Annual Plan 2024/5**.

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	1
Off track	2

No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	RAG Status	Commentary	Latest Update
AP24/5.3 Page 46	ICT Service; Strategy & Resources Committee	Deliver ICT Strategy objectives	Deliver the ICT Strategy's 2024/25 road map objectives	31-Mar-2025		Off track	<ul style="list-style-type: none"> Replacement of critical hardware continues with the replacement Firewalls now ready to be installed. Other procurement work continues to ensure that the network is operational during the transition phase of the creation of the new Unitary Authority. Softphone solution in final procurement phase and High Level design meetings now taking place with the provider. 	16-Jan-2026
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	No further update. Still awaiting land tribunal outcome.	23-Jan-2026
AP24/5.23	Crime & Disorder Committee; Housing and Communities Service	Adopt and deliver the Community Safety Action Plan	<ul style="list-style-type: none"> In year objectives delivered. 	31-Dec-2025		Completed	Action plan complete.	29-Jan-2026

Summary of Key Performance Indicators

Key*

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

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

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

Community & Wellbeing Committee

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

Environment Committee

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

Agenda Item 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	

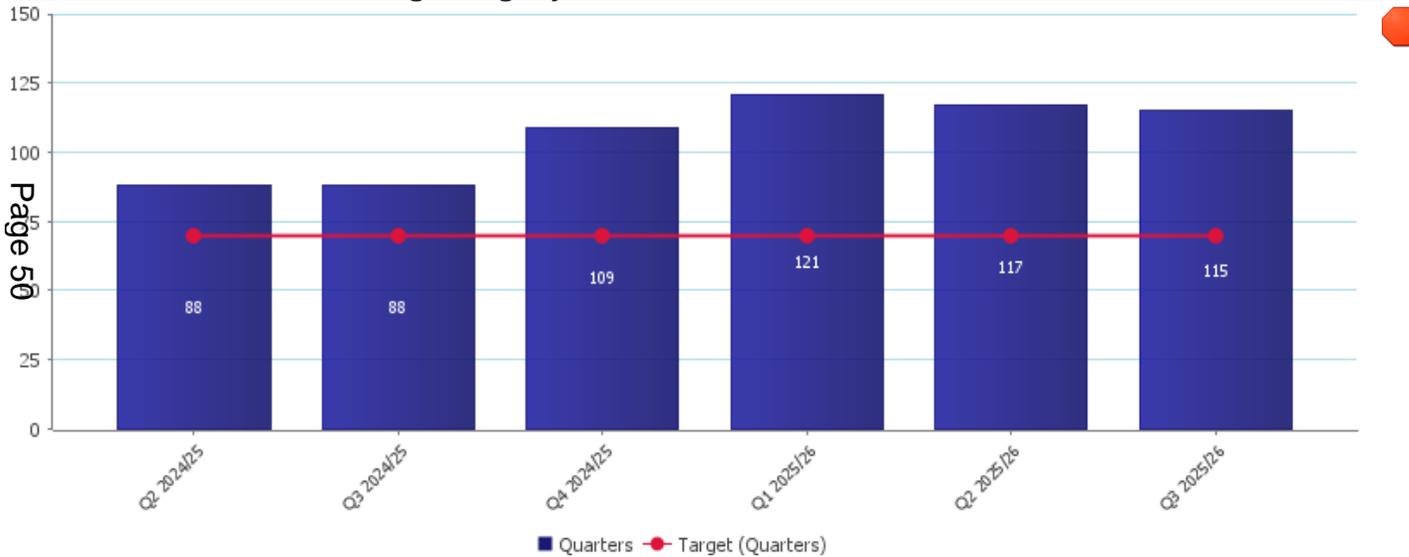
Key Performance Indicator	Status
Completion Rate for PRIORITY 1 Property Maintenance Works	

Corporate Key Performance Indicator Charts

Traffic Light	
Red	2
Amber	1
Green	19
Data Only	4

Community & Wellbeing Committee

Number of Households Living in Nightly Paid Accommodation

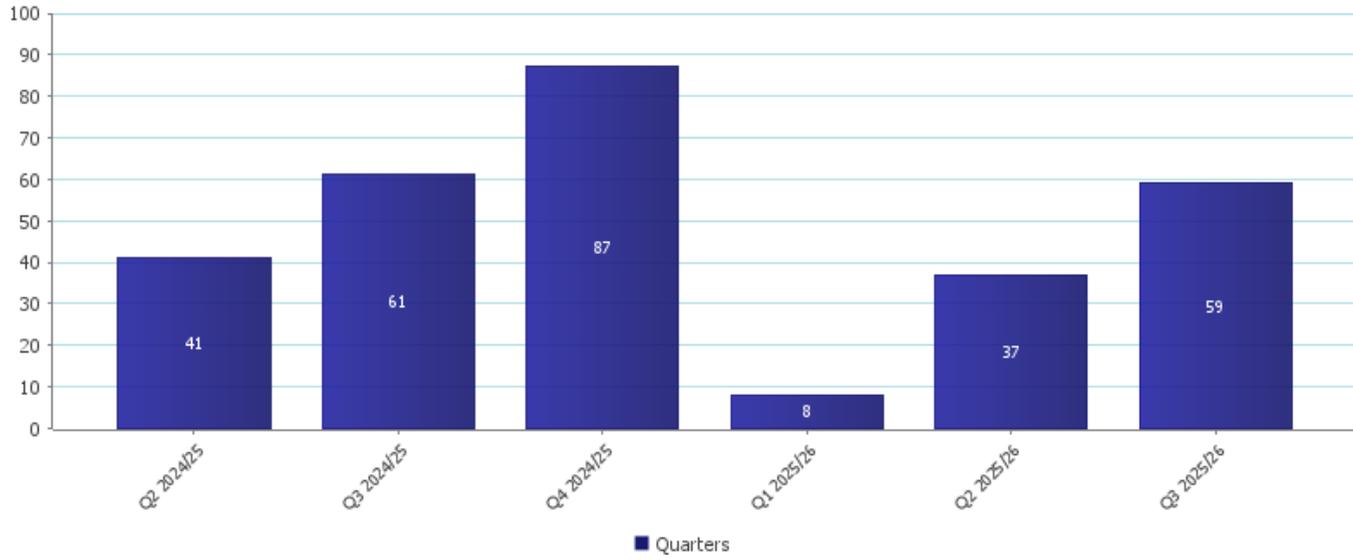


15-Jan-2026

There has been an 81.4.5% increase in homelessness application in Q1, Q2 & Q3 as compared to same periods in 2024/25. Whilst the numbers in NPA are above target, the numbers have remained consistent.

Number of Successful Preventions From Homelessness

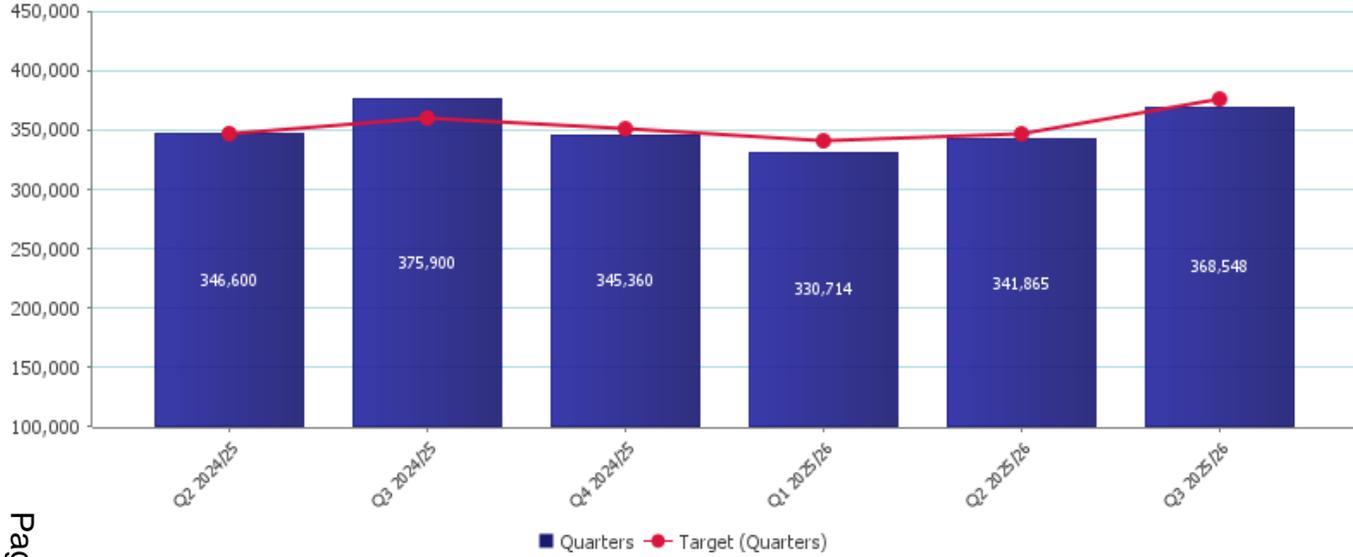
15-Jan-2026



The cumulative number for successful inventions up to and including Q3 is 390. This comprises of 59 cases where homelessness has been prevented or relieved and a further 331 where Housing Services have been successful in preventing homelessness at an earlier stage by providing advice and early prevention assistance.

In addition, there has been an 81.4.5% increase in homelessness application in Q1, Q2 & Q3 as compared to same periods in 2024/25. Whilst the numbers in NPA are above target, the numbers have remained consistent.

Car Park Visitor Numbers



09-Jan-2026

Given that a significant number of Hook Road Car Park users are now parking with paper permits, and therefore do not leave a recordable entry/exit footprint for this data capture, these figures are relatively consistent with the previous year.

Page 22

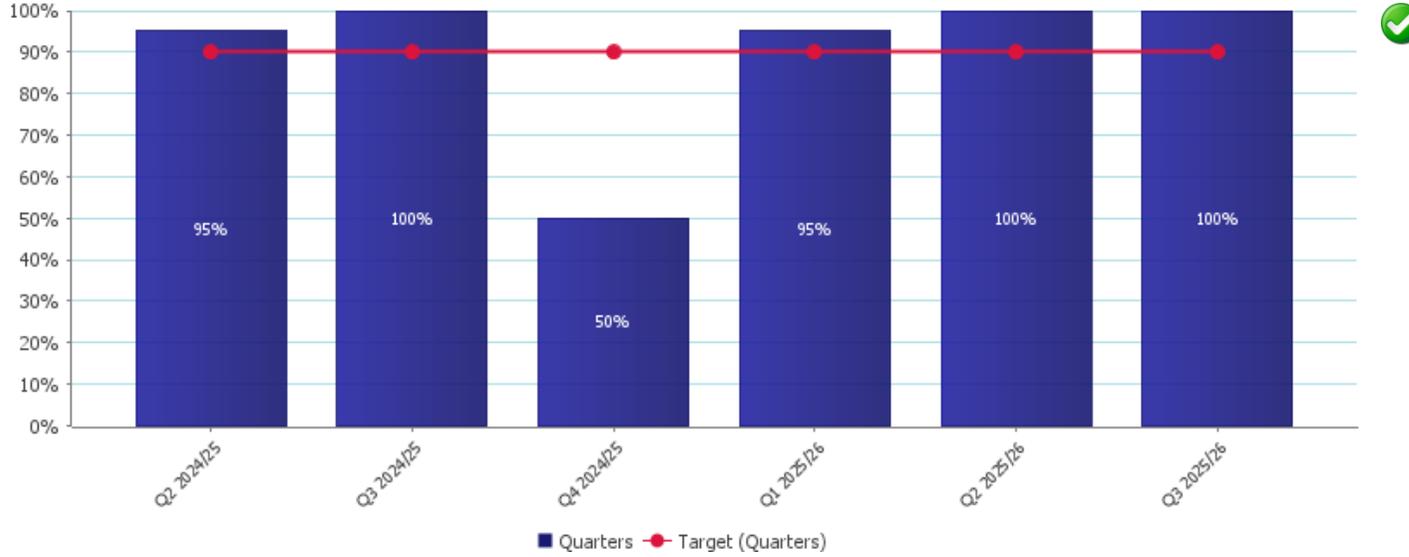
Car Park Revenue (£k)



09-Jan-2026

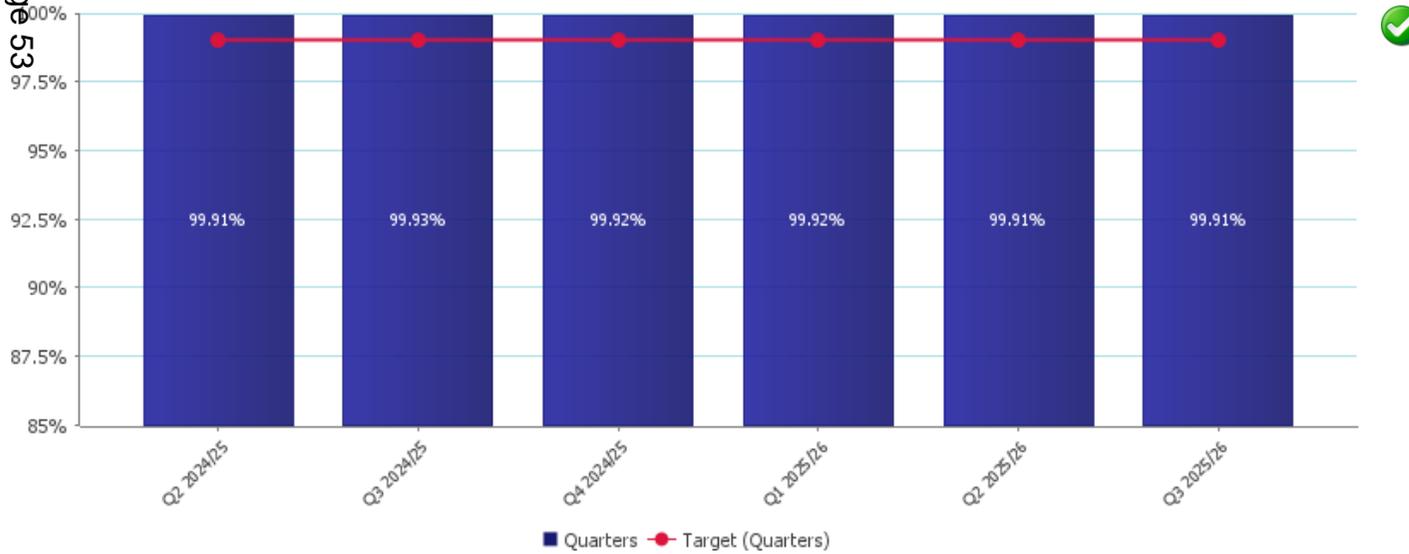
Parking Penalty Charge Notice Appeals Responded to in 10 Working Days

28-Jan-2026



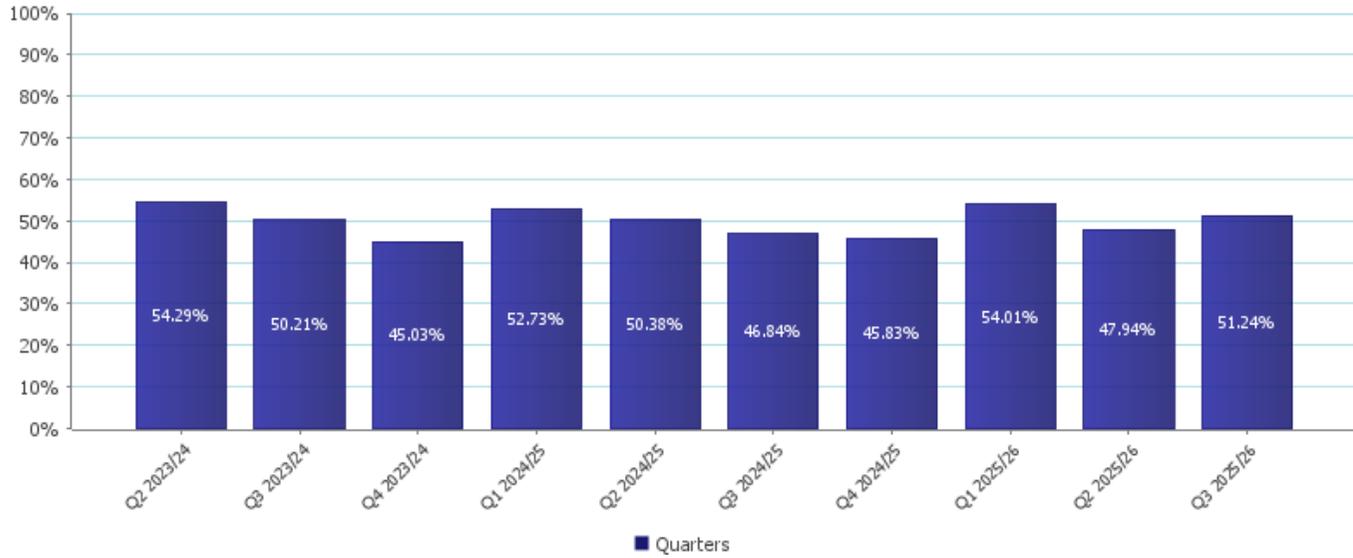
Waste Collected

08-Jan-2026



Waste Sent for Recycling

25-Feb-2026

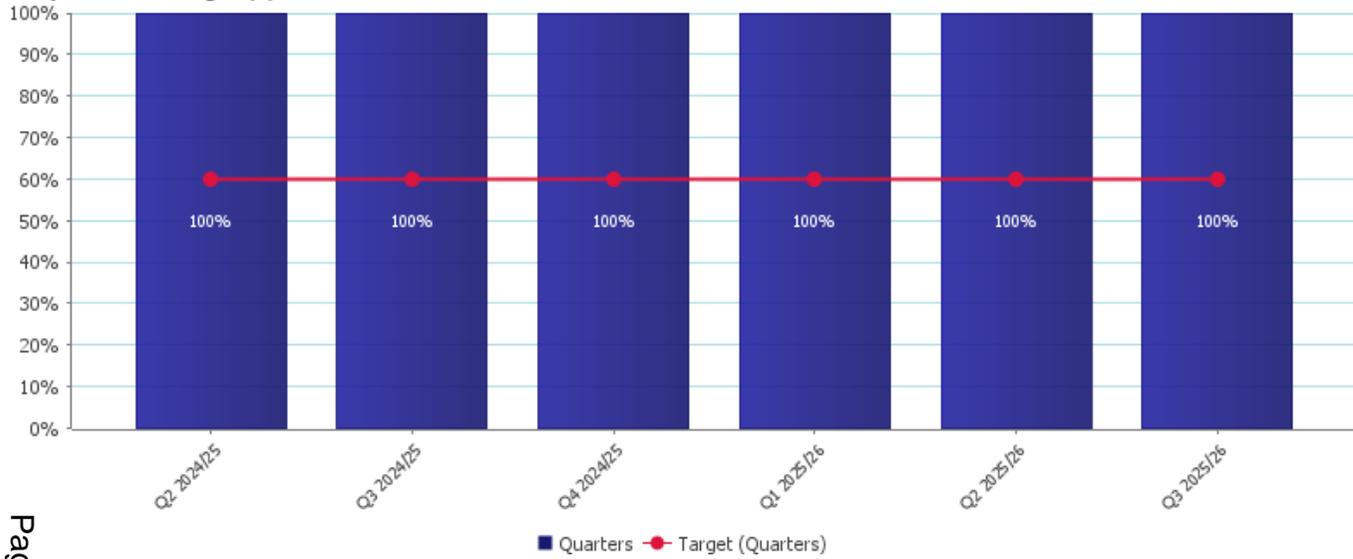


Q3 last year was 46.84%, which helps to recover the loss in Q2.

Q2 last year was 50.38%. Garden waste was down by 235 tonnes, which may reflect service suspensions resulting from staffing issues during Q2 this year.

Seasonal variations are evident in the collection of waste (e.g. higher garden waste in summer than winter) so it is better to make comparisons with the same quarter last year rather than the last quarter.

Major Planning Applications Decided in Time

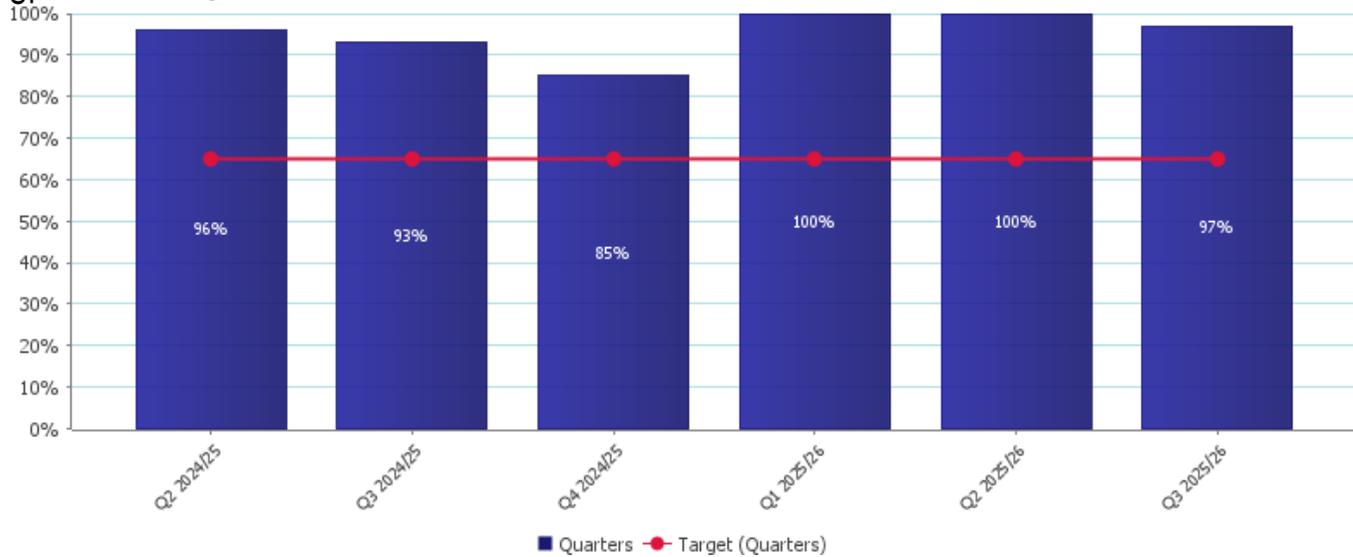


20-Jan-2026

5 of 5 in time

Page 10

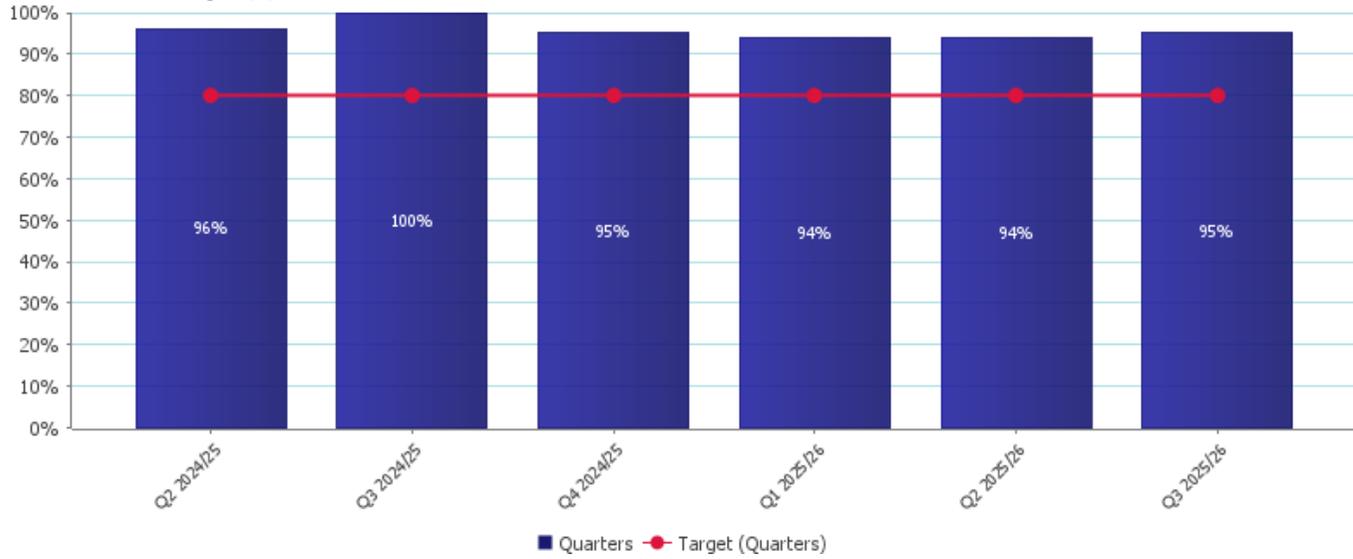
Minor Planning Applications Decided in Time



20-Jan-2026

34 of 35 applications in time.

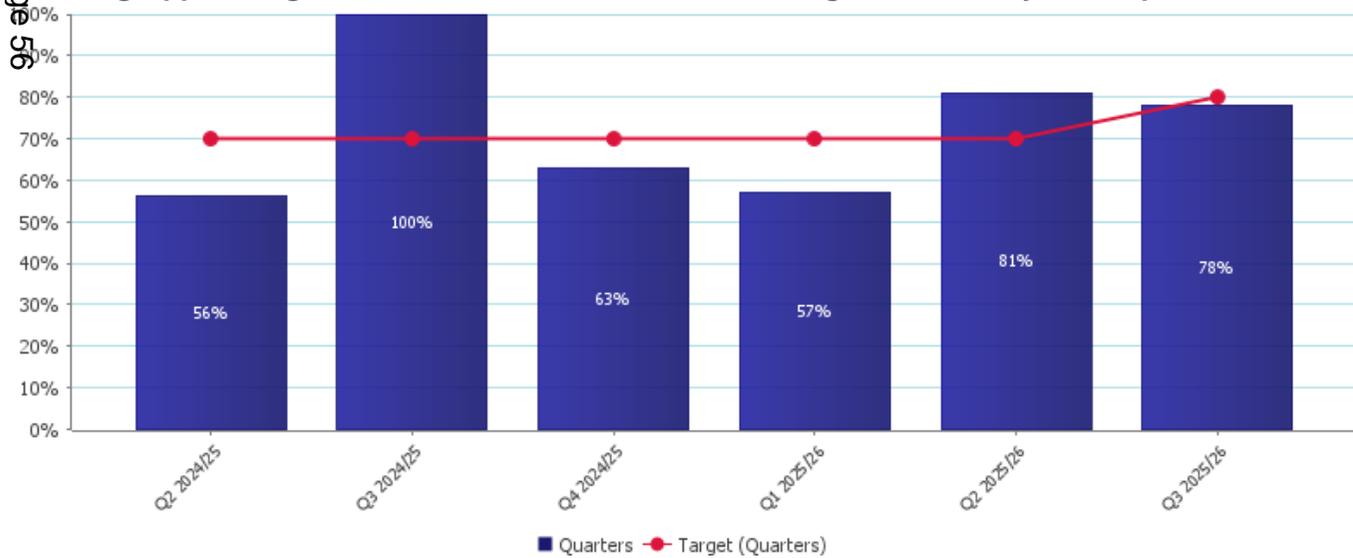
Other Planning Applications Decided in Time



20-Jan-2026

124 of 130 applications in time, despite Christmas deadlines.

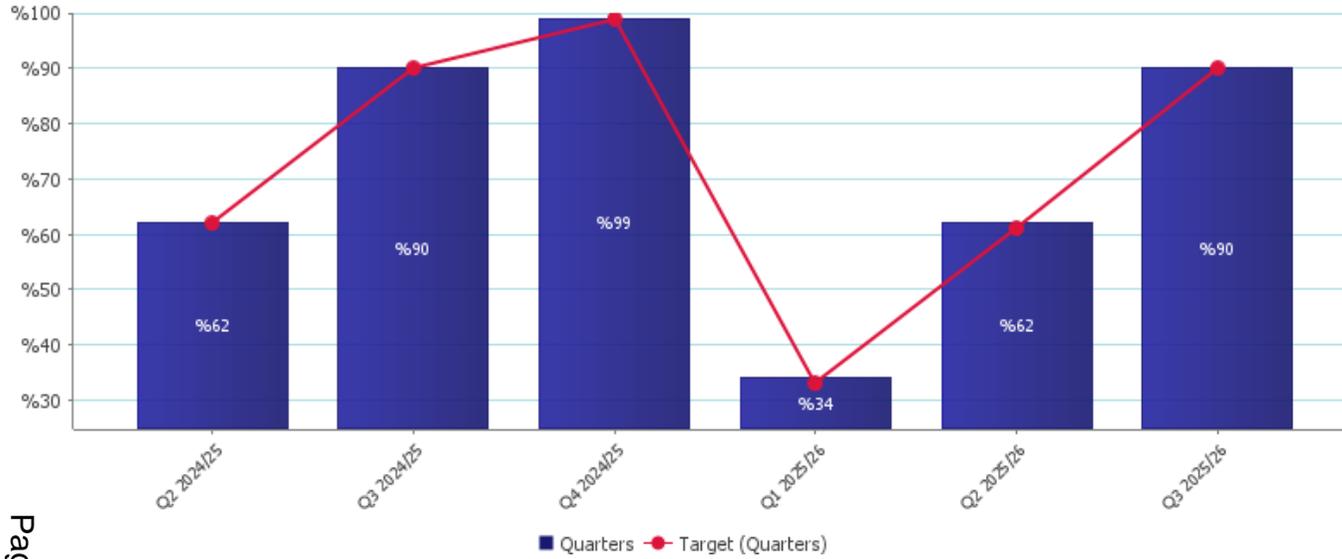
Planning Appeals Against the Council's Refusal of Planning Dismissed by the Inspector



20-Jan-2026

7 of 9 appeals dismissed. One appeal related to a linked LBA and Full application for the same development.

Council Tax Collected

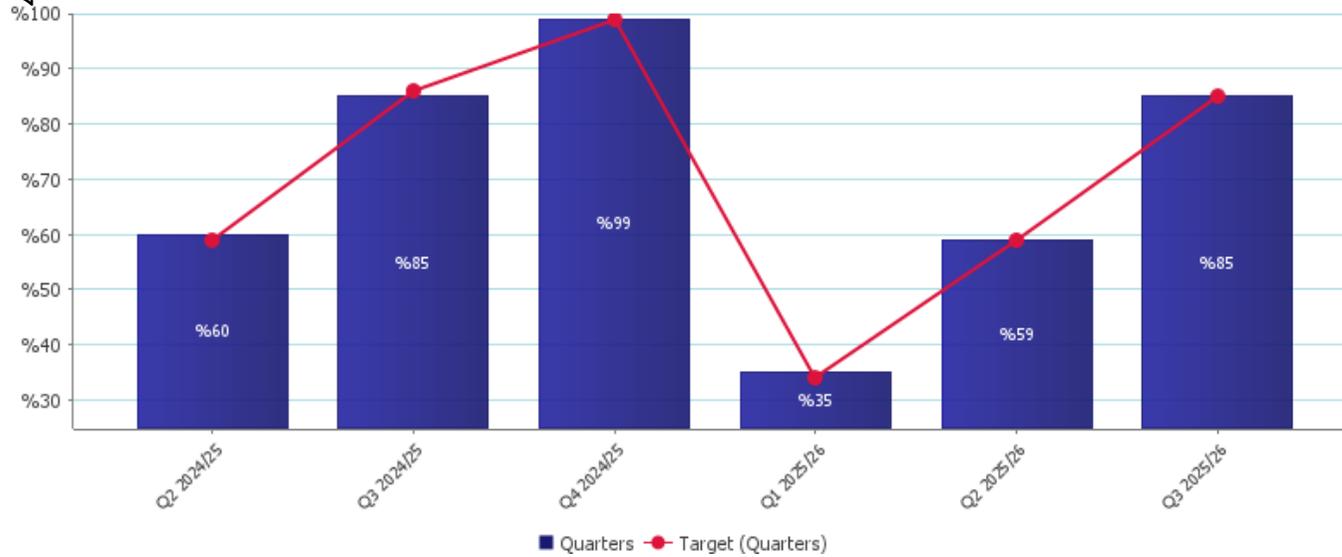


12-Jan-2026

Collection remains on Target

Page 7

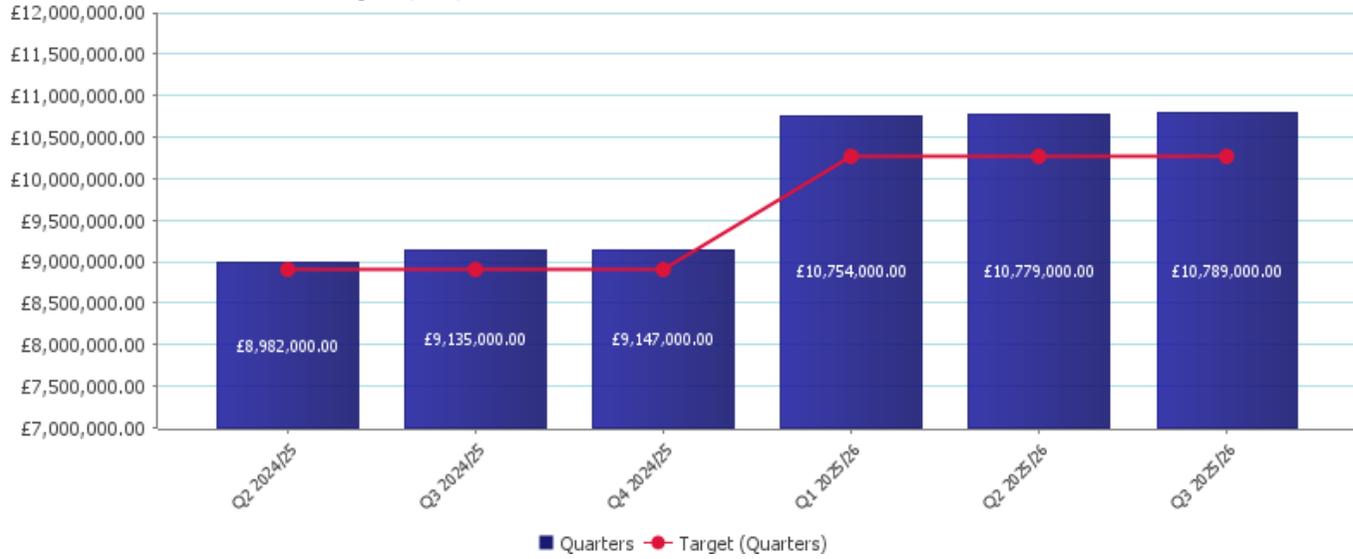
Non Domestic Rates Collected



12-Jan-2026

Collection remains on target

Forecast Outturn vs Budget (£m)



18-Feb-2026

We are reporting an overspend of £520k in Q3 mainly driven by TA. An additional £750k has been added to the TA budget for 2026/27 to address this.

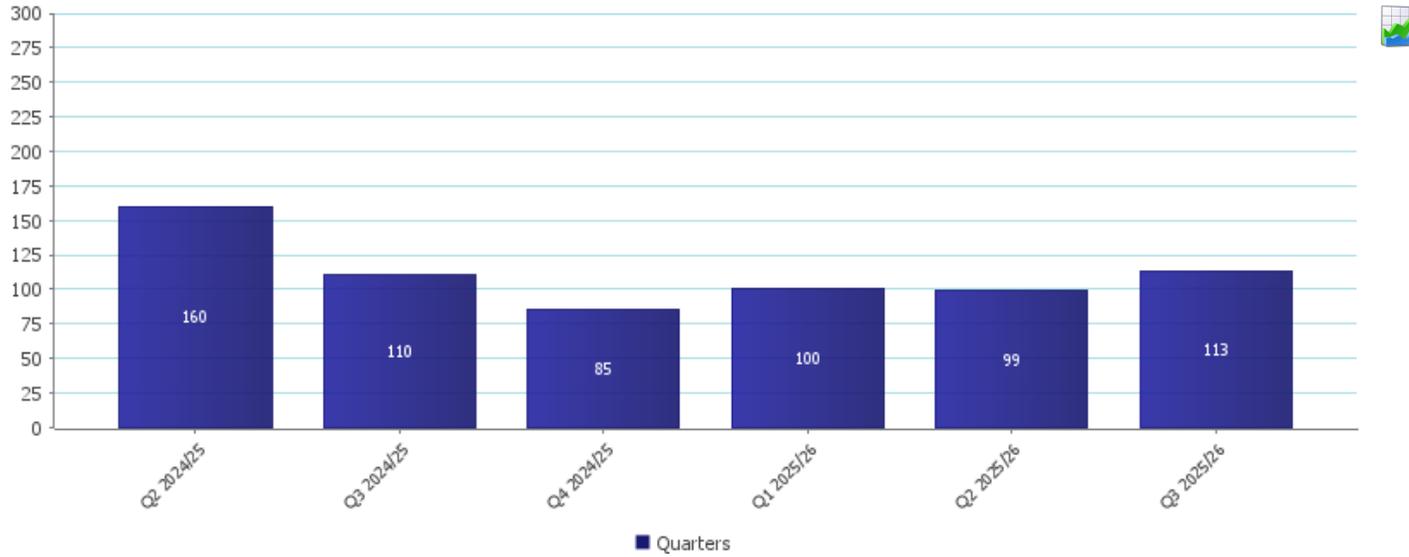
Forecast Income from Treasury Management Investment (£k)



18-Feb-2026

Number of Stage 1 Complaints Received

10-Feb-2026

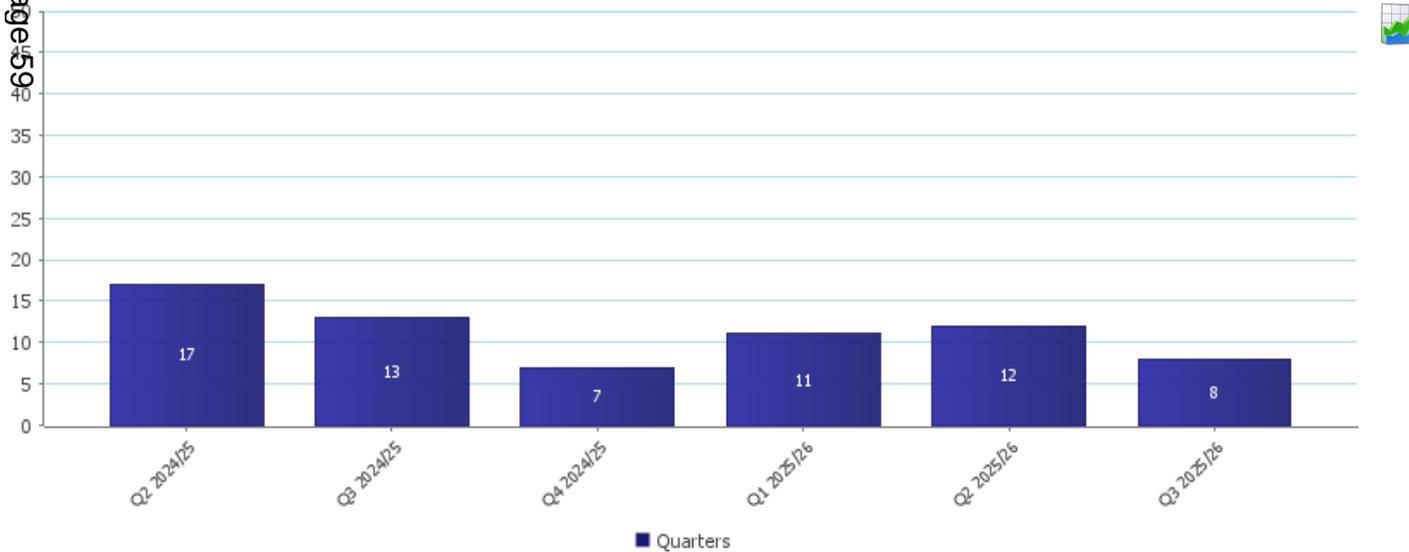


During Quarter 3, Stage 1 complaints increased by 14 compared with the previous quarter. Waste and Recycling continued to generate the highest volume of complaints, with missed collections and cancelled garden waste services remaining the primary drivers.

Procurement saw a notable rise in complaints, increasing from zero in the previous quarter to five in Quarter 3. These were largely linked to resident concerns about the recent changes to the leisure contract.

Street Care also experienced an increase, rising from one complaint last quarter to five this quarter, with residents reporting dissatisfaction with the standard of service received.

Number of Stage 2 Complaints Received

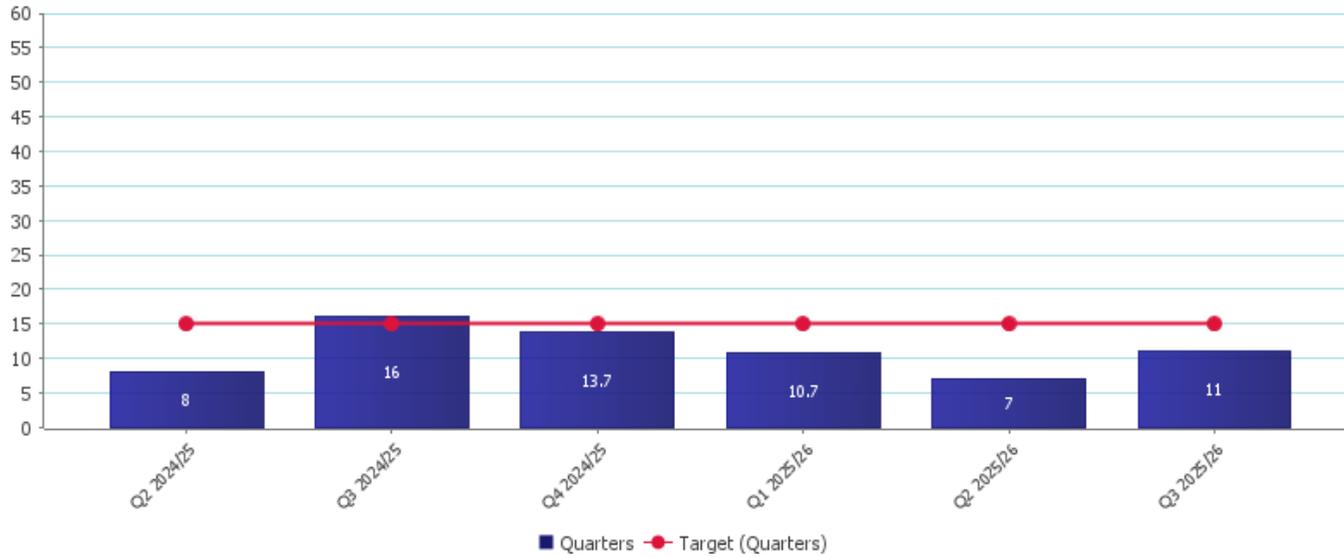


10-Feb-2026

There were 8 Stage 2 Complaints for this quarter. Five of these were Refuse and Recycling complaints regarding cancelled garden waste collections and other bin collection issues. There were two which came under Procurement related to the change of Management at Rainbow Leisure Centre.

Average Time Taken (days) to Process Stage One Complaints

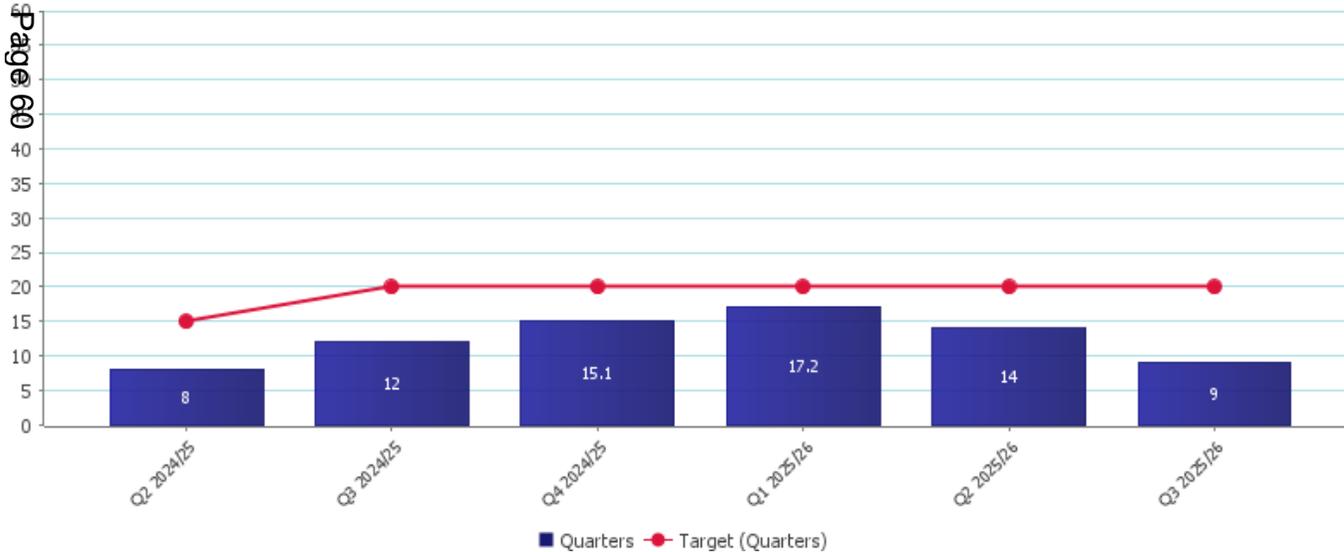
10-Feb-2026



The average time taken to process Stage One complaints increased slightly from 7 days last quarter to 11 this quarter however this is still within the 15 day target.

Of the 33 complaints that went over the 15 days, workload was listed as the cause for all of them.

Average Time Taken to Process Stage Two Complaints



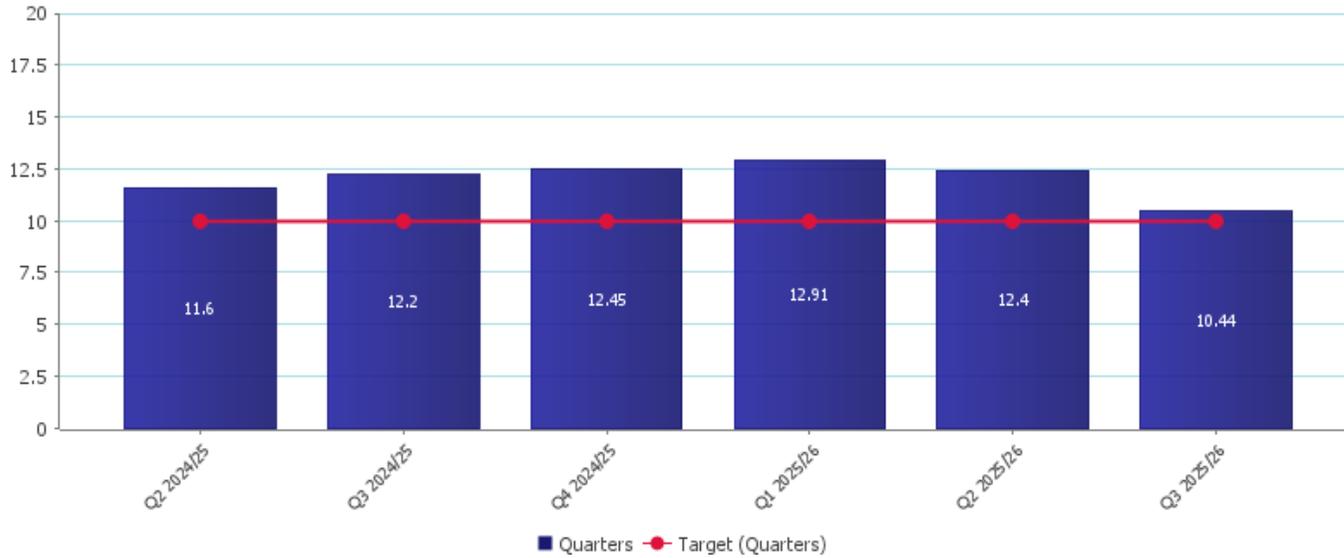
10-Feb-2026

The average response time for Stage Two Complaints for this quarter was 9 days.

This is less than the previous quarter and well under the 20 working days deadline.

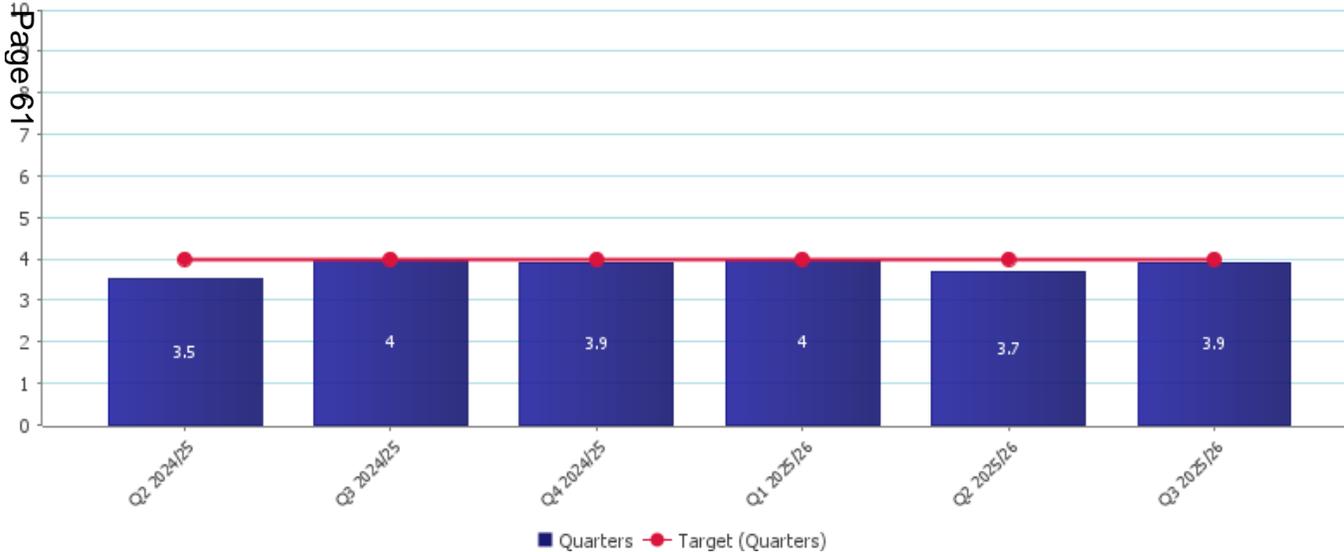
Average Number of Days of Staff Sickness

20-Jan-2026



Our overall average number of days of staff sickness has reduced this quarter. The public sector average according to The CIPD's Health and wellbeing at work report 2025 is 13.3 days.

Short-term Staff Sickness (Av. no days)

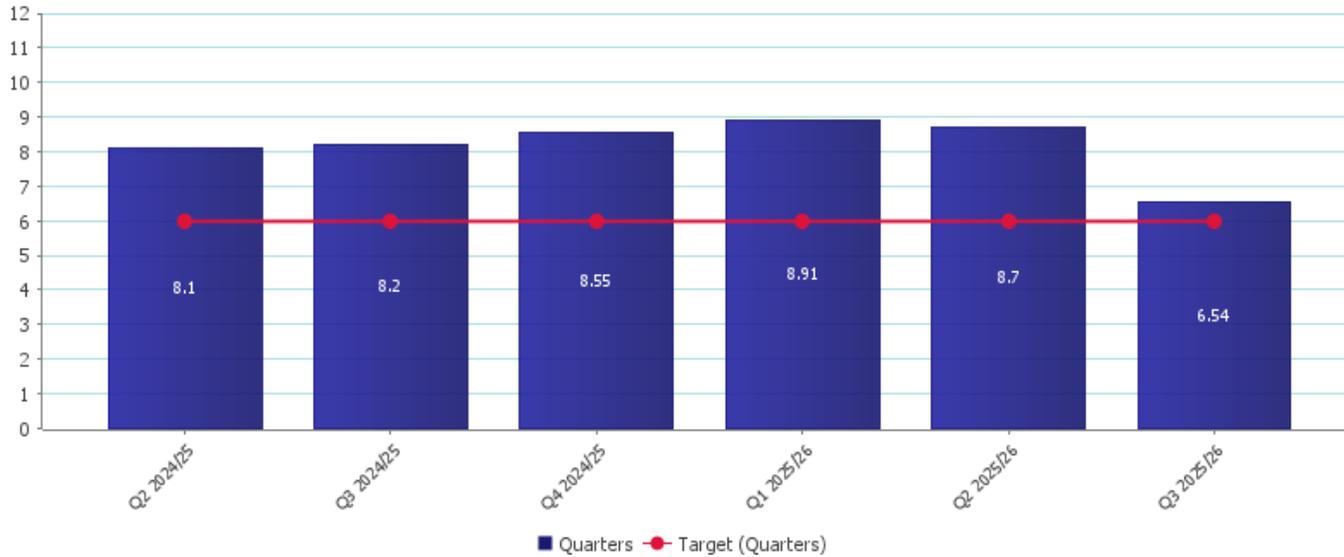


20-Jan-2026

There has been a very slight increase from last quarter but year on year we have maintained a steady rate within target.

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

20-Jan-2026



Long term sickness has reduced significantly this quarter due to the conclusion of cases with support from the People and OD Team. It is now almost at the target figure. The team continues to support with any remaining long term sickness cases.

Staff Turnover (voluntary)

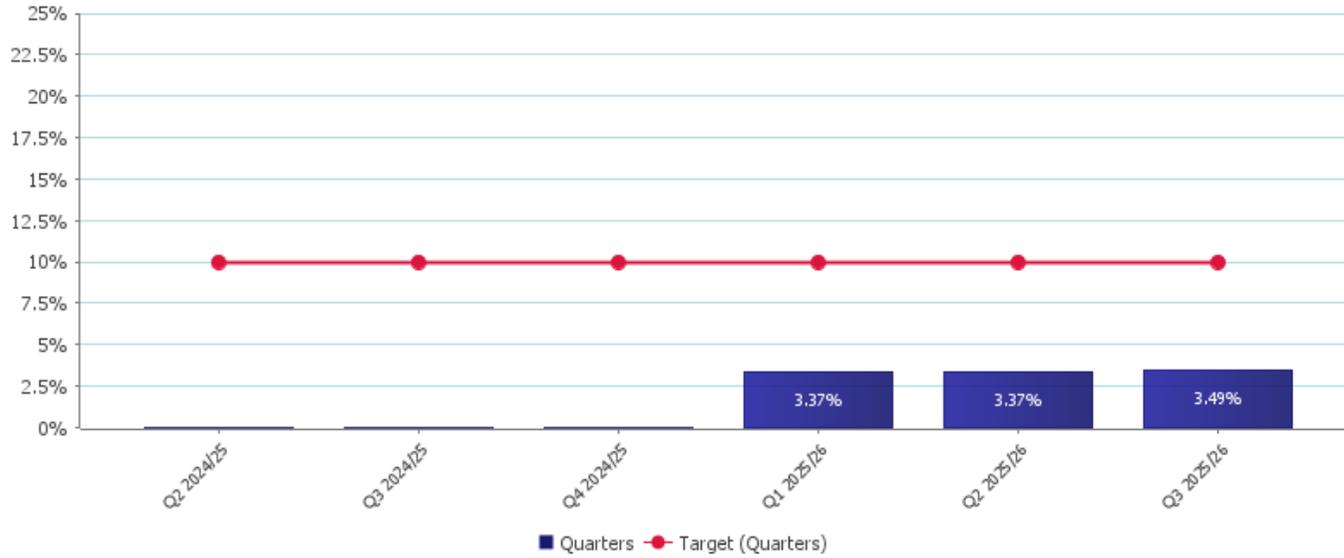


20-Jan-2026

There has been an increase in turnover this quarter but we are still well within our target levels. Staff retention is being monitored due to the potential impact of LGR and managers are taking active steps to retain staff. Contingency plans have been discussed with Heads of Service.

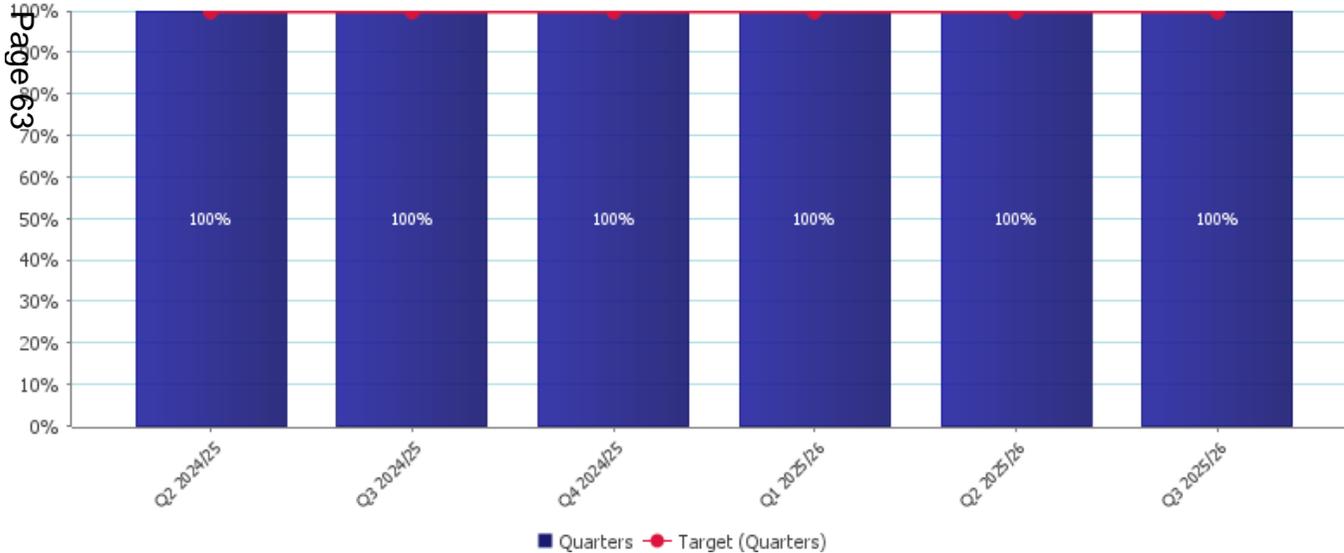
Council Owned Vacant Property Rate (%)

16-Jan-2026



Unit 2 Clocktower became vacant on 22/10/25 and it is currently being marketed.

Completion Rates for ALL Property Maintenance Works

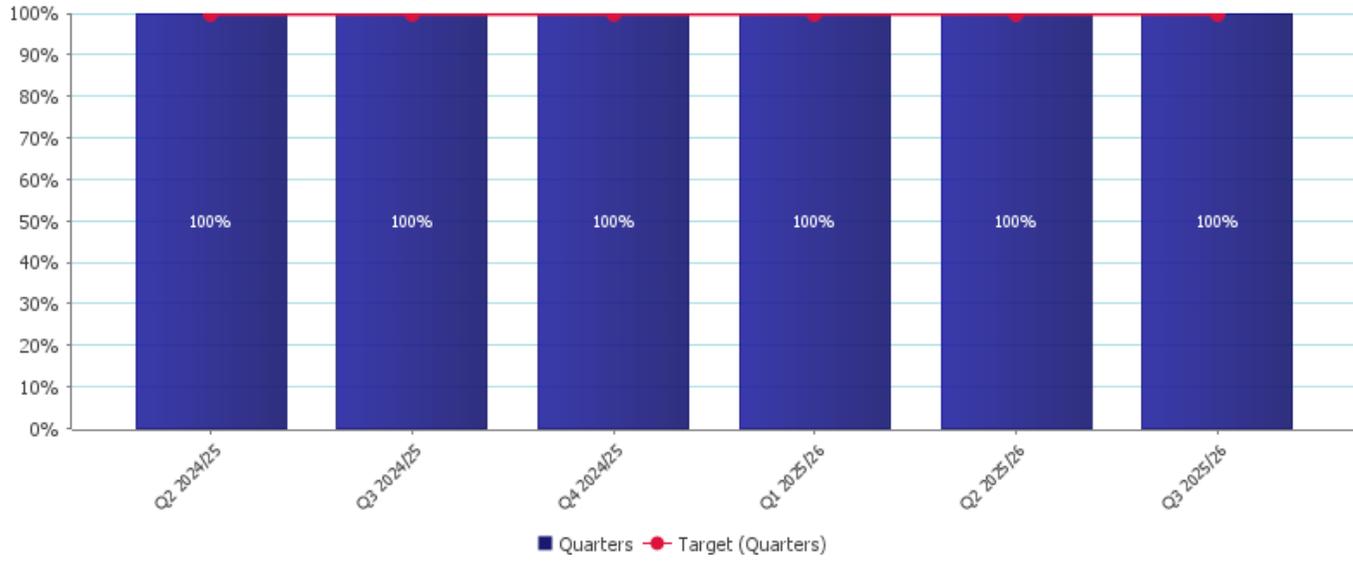


05-Jan-2026

Completion rates for all property maintenance works have reached 100% in Q3

Completion Rate for PRIORITY 1 Property Maintenance Works

05-Jan-2026



Completion rate for Priority 1 maintenance works has reached 100% in Q3.

Corporate Risk Register

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

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

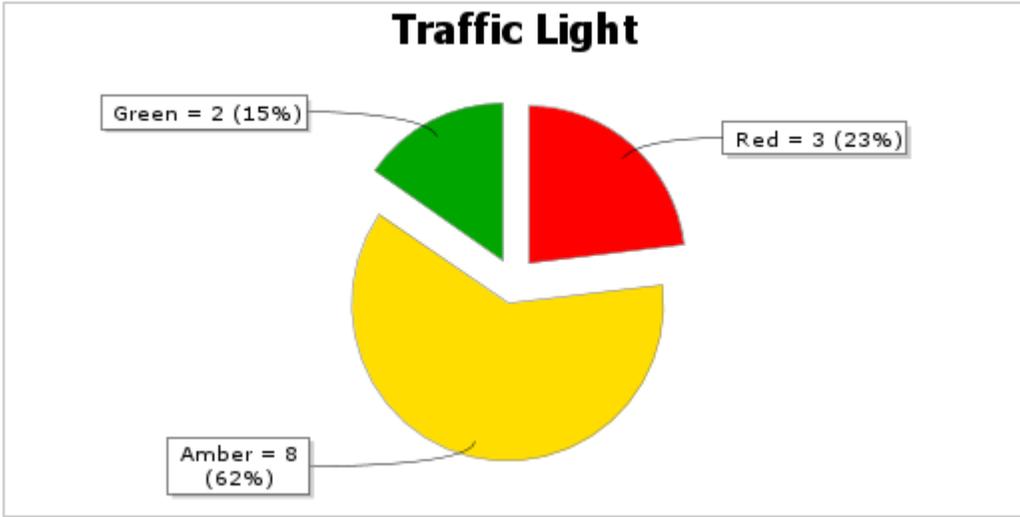
Step 2: Consider how we mitigate the risk and any controls in place.

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

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

Likelihood Page 65	4 Very likely	4	8	12	16
	3 Likely	3	6	9	12
	2 Possible	2	4	6	8
	1 Remote	1	2	3	4
	<i>Multiplier</i>	1 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
Page 66 C9	Risk of homelessness expenditure exceeding budget provision	<ul style="list-style-type: none"> • Unable to meet statutory duties. • Pressure to increase spending on accommodation in locations further outside of Borough. • Need to source funding from outside current budget and knock-on reductions to other budgets. • Potential damage to reputation 	4	4	16	Fraud team investigation	4	4	16	-	Treat	Update provided at C&W Committee in November 2025. Seeking approval for service review recommendations.	02 Feb 2026
						Additional staff							
						Working Group							
						Strategy in place							
						Housing First funding in place							
						Additional Government Funding							
						Homelessness Action Plan							

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	3	4	12		Treat	We are currently forecasting an overspend of £510k as at Q2 for 25/26. This is driven by TA costs which is currently forecasting an overspend by more than £1m but is reduced by underspend in other parts of the council. Hence, we need a collaborative approach to address the rising costs in TA which is unsustainable.	24 Oct 2025
						Annual Budget Setting							
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"> • Position remains whilst the final remediation actions are taken ahead of PSN assessors visit in early 2026. 	18 Jan 2026
						Budget							
						IT Strategy							
						IT processes and procedures							
						Security Operations Centre							
						Cyber Security Strategy							

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	Communications Campaigns	3	3	9	-	Tolerate	<ul style="list-style-type: none"> • An implementation programme has been established across Surrey with Theme leads, project management and Subject Matter Experts. • The programme has been resourced and is starting work. • Politically an interim joint committee has been established. • Preparations are underway for election in May to appoint to the shadow authority". 	25 Feb 2026
						Working Group							
						Stakeholder group							
PD14	Failure to deliver a local plan / Local plan found unsound at inspection	<ul style="list-style-type: none"> • Unable to provide robust planning policy for development in the Borough. • Impact on other council activities that link to the local plan, e.g. housing. • Unable to demonstrate value for money on investment in developing the plan. • Government intervention. 	4	4	16	Budget	3	3	9	-	Treat	Local Plan examination hearings undertaken and the Planning Inspector has requested additional work be undertaken. The Council has committed to providing this information to the Inspector on or before 22 January 2026. Following receipt of this information the Inspector will advise how the examination should proceed. There remains a risk that the Local Plan will be found unsound.	09 Jan 2026
						Local Plan Risk Register							
						Report to Stakeholders							
						Member briefing							
						Project Critical Path Established							
						Project Plan							
						Full staffing in place							
						Partners fully engaged							
						Political support to fund and deliver							
EO5	Failure in key statutory services	<ul style="list-style-type: none"> • Poor customer service. • Legal challenge. • Reputational damage. 	2	4	8	Risk Register	2	4	8	-	Treat	<ul style="list-style-type: none"> • During the period of LGR there is close attention to maintaining underlying services whilst transitioning to the new authority and any issues will be flagged with senior management 	25 Feb 2026
						Performance Monitoring							
						Risk Management Strategy							
						Budget Monitoring							
						Annual Budget Setting							
						Governance Framework							
						Performance Benchmarking							

LS9	Shadow Authority Election						2	4	8			Detailed project plan and risk register have been produced and submitted to the Returning Officer. Deputy Returning Officers have been appointed and project is on track.	06 Feb 2026
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	Levels here remain as they were.	10 Feb 2026
						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 movetionailsation 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	Risk remains unchanged	09 Jan 2026
						Additional staff							
						Working Group							
						Climate Change Action Plan							
Member Working Group													

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	no change	30 Jan 2026
						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	No change since Q2: Health and Safety Policy updated.	06 Feb 2026
						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							

EO13	Failure to deliver a safe/compliant working environment at the Town Hall	<ul style="list-style-type: none"> • Wasted resources used to progress the project. • Reputational damage. • Negative staff moral. • Unable to achieve benefits associated with the move. 	4	4	16	Internal Audit	1	3	3		Treat	Description updated following SLT feedback.	04 Nov 2025
						Full Council Approval							
						Corporate Procurement process							
						Steering Group appointed							
						Business case							
						Project Plan							
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 since Q2, workplan remains on track.	06 Feb 2026
						Emergency Plans							
						Business Continuity Plan							
						Council responders							
						Internal Audit							

Committee Risk Registers

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

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

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

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

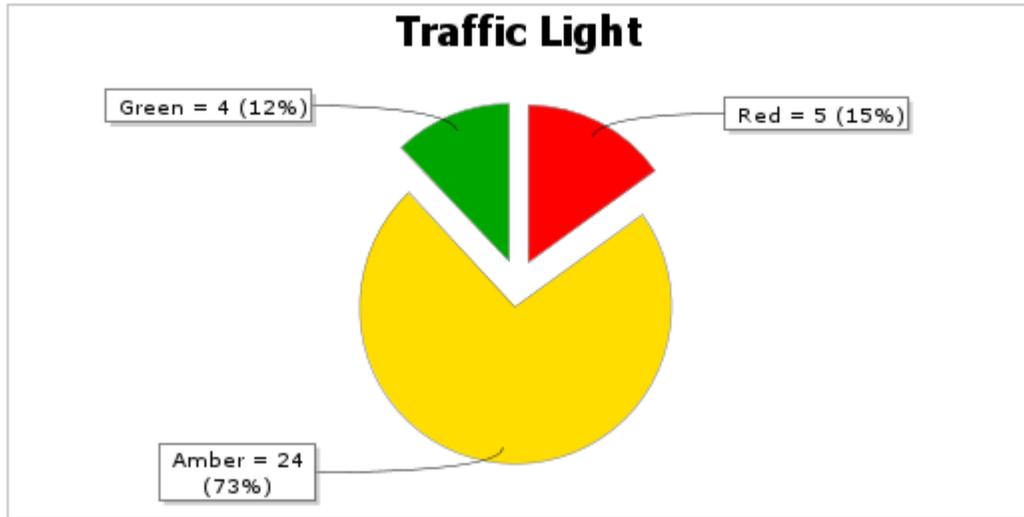
Step 3: Score the **residual** risk = impact x likelihood (taking into account the controls and mitigations we have in place).

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

Page 72

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
	<i>Multiplier</i>	1	2	3	4
		1 Insignificant	2 Medium	3 High	4 Severe
		Impact			

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



Community & Wellbeing Committee

Page	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
Page 73	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	4	3	12	-	Treat	Nightly paid (NP) numbers have risen slightly since December as expected due to post Christmas period approaches and a period of SWEP (Severe Winter Emergency Provision). However, the NP reduction group meets fortnightly to focus on complex cases, which is having a positive impact.	02 Feb 2026
						RBBC Counter-Fraud Service							
						Service/Function Review							
						Medium Term Financial Strategy							
						Responded to Government Consultation							
						Strategic Housing Manager							
						New Units for Accommodation Secured							
						Government Funding - Additional							

HC14	Lack of affordable housing in the Borough	<ul style="list-style-type: none"> • Changes to Borough demographics. • Homelessness. • Provision for key workers. 	4	3	12	Partnership Working	4	3	12		Treat	The Strategic Housing Manager (SHM) continues to work with planning colleagues and Registered Providers to increase delivery.	09 Jan 2026
						Strategic Housing Manager							
						Strategic Housing Group							
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	Successful Mobile Vending units are now in place on Epsom & Walton Downs and Horton Country Park and providing a healthy income stream to help with upkeep of these areas.	29 Jan 2026
						Bourne Hall Cafe							
						Project Management Resource							
						Revenue Assessment Required for Change of Land Use							
HC15 Page 74	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 Community Development Plan continues to be delivered to support the H&WB of residents in the borough. The risk remains the same.	15 Jan 2026
						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	Unable to successfully implement changes following the Criminal Justice Bill enactment	<ul style="list-style-type: none"> Misunderstand the changes. Legal challenge. Unable to effectively meet our obligations. Unbudgeted expenses. 	3	4	12	Partnership Working Watching Brief Maintained Access to legal advice Community Safety Partnership Close liaison with police	2	3	6		Treat	No change to risk score. Risk named updated from Upcoming changes to the Criminal Justice Bill, and new mitigations added.	19 Feb 2026
HC33	Ineffective governance regarding PREVENT, PROTECT and Martyn's Law	<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 Working Group Community Safety Action Plan Delayed implementation of legislation	2	3	6		Tolerate	No change to risk score. Title updated to include reference to Martyn's Law, and new mitigations added.	19 Feb 2026
HC38	Failure to deliver Clear, Hold, Build objectives	<ul style="list-style-type: none"> Wasted money. Reputational damage. Failure to tackle serious organised crime. 	2	3	6	Community Safety Partnership Police review Tried and tested model used	1	2	2		Treat	New risk added to the Committee's register at Q3 2025/26.	19 Feb 2026
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 Constitution Ringfenced budget	1	1	1		Tolerate	Risk to be retired as Crime and Disorder Committee do not have a budget. Consequently risk score lowered to 1.	19 Feb 2026

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	4	3	12	▬	Treat	Increased likelihood to reflect the implementation of renters rights act and new duties which are currently not resourced.	30 Jan 2026
HC10	Significant decrease in parking revenue from car parks	<ul style="list-style-type: none"> • Increased budgetary pressures. 	3	4	12	Annual Budget Setting Medium Term Financial Strategy Revenue Assessment Required for Change of Land Use Budget Profile Exercise	3	3	9	▬	Treat	No change	09 Jan 2026

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OS30	Lack of availability of qualified LGV drivers	<ul style="list-style-type: none"> • Insufficient drivers impacts on the collection of waste, leading to • Reduced income (garden waste is paid for) • Reputation, • Risk to public health. 	4	3	12	Staff training	3	3	9		Treat	NEW COMMITTEE RISK - escalated from Divisional Risk <ul style="list-style-type: none"> • Continues to be a significant risk. • Employment market for LGV driver remains difficult at both permanent and agency levels. • Officers continue to work with agencies to try to bring in new drivers but supply and quality have been poor. • Officers have been reviewing options for recruiting LGV Driver Trainees from within the workforce. Two individuals are interested but will require car licences first, then roadcraft training on larger vehicles before submission to the LGV training scheme. 	25 Feb 2026
						Managers working closely with staff							
						Review of pay scales							
OS21 Page 77	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 adoptions. 	4	3	12	Climate Change Group	3	2	6		Tolerate	Refuse & recycling vehicles have been specified as fully diesel-engined as no viable electric or hybrid options exist. All other vehicles have been specified as hybrid-engined (diesel/electric) where possible - specifications are currently with our vehicle provider, Specialist Fleet Services, and we await responses (smaller vehicles do not need to be ordered until spring/summer of 2026).	08 Jan 2026
						SEP Green Fleet Working Group							
						Grant Funding Secured - Electric MealsOnWheels Vehicles							

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	2	3	6		Tolerate	<ul style="list-style-type: none"> • Extended Producer Responsibility: indicated funding for 2026/27 has been advised as c.£1 million. • Councils will need to collect a range of new materials for recycling from 1/4/26: plastic films and bags; foil; metal tubes; cartons (such as TetraPaks). There is still doubt about whether these will actually get recycled, as their markets are poor: SCC is working with disposal contractors to understand this but we may have to legally permit residents to put these in their recycling bins from 1/4/26 even through they may not get recycled. • Deposit Return Scheme (plastic bottles and cans): government advises this is scheduled to go live October 2027. It is uncertain as to how this will affect the Council's kerbside recycling collections. 	08 Jan 2026
						Simpler Recycling							
D31	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	<p>Awaiting final funding from Forestry Commission but the management of Ash dieback is occurring satisfactorily. Financial risk has decreased with these funding streams.</p>	30 Jan 2026
						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.													

Licensing & Planning Policy Committee

ID	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
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	3	3	9		Tolerate	increased risk owing to loss of major operator to East Cambridgeshire dDistrict Council	30 Jan 2026
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	Fee income remains slightly above budget for YTD, due to the introduction of increased fees in April 2025 and some larger schemes. Further large scale housing applications (both speculative and allocated sites) are anticipated in the next 6-12 months, which should maintain strong fee income measured against the budget though recent trends show a downturn in smaller schemes, including householders. Uptake for fast track applications and PPAs remains luke warm. Pre applications remain relatively strong. Overall, the risk remains unchanged.	30 Jan 2026
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	Overall caseload remains stubbornly unchanged but cases are now being directed to four officers, which is easing workload stress. Response times for enforcement appeals with the Planning Inspectorate remain extensive, adding to issues with the general public, alongside several cases requiring prosecution. Cases should begin to fall, but until this occurs, and until further notices are issues, the risk remains unchanged.	30 Jan 2026

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	2	3	6		Tolerate	Unchanged. Flux remains due to lack of certainty with BNG and monitoring fees and so financial risk remains. The Council is preparing to implement the Building Safety Levy in October 2026 with government direction. .	30 Jan 2026
						Monthly briefing to Chair and Vice-Chair							
HC27	Out of date licensing policies	<ul style="list-style-type: none"> • Gaps in governance framework. • Reputational damage. 	4	4	16	Additional staff	2	2	4		Treat	No change however progress is being made to arrive 2 policies at LPPC for adoption by Council in spring 2026.	30 Jan 2026
						Access to legal advice							
						Committee training							
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	Risk remains unchanged in light of LGR.	09 Jan 2026
Page 80 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 excellent in terms of planning applications, and is continually monitored in terms of appeal decision overturns.	30 Jan 2026

Strategy & Resources Committee

ID	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
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 Annual Budget Setting Competitive Procurement of Utilities	4	3	12		Treat	Currently overspending on TA and we are able to counter some of the variances but needs full forensic analysis of Housing data to control / manage the variances	02 Sep 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 companies operated by commercial tenants continue to face a challenging economic environment of low growth and high employment costs.	16 Jan 2026

F27	Insufficient funding to implement Local Government Reorganisation	<ul style="list-style-type: none"> • Funding promised by gov is not enough to cover costs. • Impacts on current day to day spending. • Confirmation from Government that the costs of elections will not be covered. • Implementation of LGR not effective. • Lack of capacity to deliver. 	4	4	16	Engagement w/ Surrey County Council	3	3	9		Treat	The £0.380 million recently announced by government to 'cover the cost' of proposals (for the whole of Surrey) was woefully inadequate but an indication of the level of funding that may be available for Councils in Surrey to address LGR. It is for this reason the council will review its reserves to ensure it has funds to cover unexpected costs during a time of such uncertainty.	21 Oct 2025
						Manage financial reserves							
D21	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	3	3	9		Tolerate	Risk remains unchanged	09 Jan 2026
						Local Enterprise Partnership							
						Working w/ Neighbouring Authorities							

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	3	2	6		Treat	Full Leadership team at present delivering the strategic objectives.	10 Feb 2026
						Retaining Talent Policy							
						Succession Planning							
						Performance Management							
						My Performance Conversations							
						Risk Management Strategy							
						Project Management Governance							
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	2	3	6		Treat	Progress continues to be made in the delivery of the Climate Action Plan as reported to Environment Committee on 20/01/26.	16 Jan 2026
						Climate Change Action Plan							
PR16	Reduction in car parking capacity	<ul style="list-style-type: none"> • Reduced income • Damage to Epsom's vitality and viability eg • Harder for visitors to find space • Overspill of parking into roads. 	3	2	6	Engagement w/ Surrey County Council	2	3	6		Treat	Continues to be assessed as part of 6 May 2025 approval of 2025-2027 Strategic Priority 5.	16 Jan 2026
						Car Park monitoring							

DST10	Failing to respond to complaints effectively	<ul style="list-style-type: none"> • Poor customer experience. • Reputational damage. • Increased costs related to officer time required to rectify complaints after initial response. • Costs related to any financial settlements / restitutions. • Public interest for non-compliance report issued by the Local Government and Social Care Ombudsman (LGSCO). 	3	4	12	Staff training	2	2	4		Tolerate	The risk has not changed.	10 Feb 2026
						Information Published on Website							
Page 84	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	This remains the same as the previous assessment.	16 Jan 2026
						Communications Strategy							
						Regular review of communication channels							
						Communications Campaigns							
						Internal Client - Account Manager Process							
						Comms standards							

F26	Incorrect administration of Housing Benefit payments to a provider	<ul style="list-style-type: none"> Financial impact to the council which could affect the budget / reserves. 	3	3	9	Quarterly monitoring of subsidy position	2	2	4		Treat	The risk is being closely monitored, and there is ongoing engagement with the DWP.	17 Sep 2025
						Regular liaison meetings with DWP							
						Allocate contingency funds to cover potential financial impacts							
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	1	2	2		Treat	To continue occupation of the Town Hall site as reported to Strategy & Resources Committee on 11/11/25.	16 Jan 2026
						Appoint external consultant							
PCR21 Page 85	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	1	1	1		Treat	Propose to retiring this risk: The contract has now been signed, which signals the end of the procurement/retendering process.	06 Feb 2026
						Contract Management							
						Procurement Strategy							
						Contract Standing Orders							
						Project Contingency Time							
						Corporate Procurement process							

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
2023/24 - Review and enhance recruitment and retention policies and procedures for key roles across the council	31-Mar-2024	30-Sep-2025	<p>The Senior Leadership Team has weekly discussion to ensure that we have a range of retention measures in place, and this is particularly the case in light of the uncertainty of LGR.</p> <p>The Head of People and OD is working with the other Heads of HR across Surrey to take a joined up approach to the potential risk of retention challenges particularly of those in leadership roles ahead of LGR.</p> <p>In addition, the Surrey Chief Executives are building a collective study of retention measures to bring forward for discussion at Surrey Leaders in October 2025.</p>		Completed	01-Aug-2025
2023/24 - Review and update IT policies as necessary	31-Mar-2024	31-Mar-2026	<ul style="list-style-type: none"> • AUP finalised awaiting approval • Password Policy finalised awaiting approval 		On track	16-Jan-2026
2023/24 - IT AGS action	31-Mar-2024	31-Mar-2026	<ul style="list-style-type: none"> • The health check remediations are now 85 percent complete. • The Cabinet Office has been contacted for a meeting to discuss the PSN assessors visit • A follow up check will be completed in the coming weeks that will be shared with the assessor as part of their work to review our systems and compliance. 		On track	16-Jan-2026
2023/24 - Councillor Training - review and enhance the councillor training and development programme	31-Mar-2025	31-Oct-2025	This action has been postponed further to consultation with the CEO and Leader of the Council; refocused strategic priorities agreed on 6 May 2025 that supersede this action.		Completed	24-Oct-2025
Management capability -to enhance management capability to lead through change, by delivering a new development programme.	31-Mar-2026	31-Mar-2026	The Corporate Leadership Team has completed its development programme. Managing Change through LGR will be rolled out to Managers from April.		On track	16-Jan-2026

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
Review our cyber security response plans - to review to see if added value can be achieved through consolidation of existing plans	31-Dec-2025	30-Apr-2026	<ul style="list-style-type: none"> • First draft review has taken place • Gap analysis completed and additional information provided to Maple for V.2 of the report. 	●	On track	16-Jan-2026
Staff resourcing across all teams - to Review level of resilience of staff resourcing.	31-Dec-2025	31-Dec-2025	Workforce planning meetings have been carried out with all HoS. Resilience of staff resourcing has been reviewed and actions agreed.	●	Completed	22-Dec-2025
Manual processes in Place team- to Replace manual processes in the Place Development team with automation.	31-Mar-2026	31-Mar-2026	MS Copilot used intermittently, mostly as a trial process, for better report writing. Driven by direction of IT, it could provide beneficial but no real progress being made.	●	On track	30-Jan-2026
Appeals related to the Local Plan - to review appeals related to the Local Plan to ensure they do not relate to the governance of the Plan.	30-Sep-2025	31-Mar-2026	<ul style="list-style-type: none"> • Local Plan remains at examination stage. Two additional discrete pieces of work were requested by the planning inspector during the hearings which are currently being undertaken. • Following the submission of the extra work on or before 22 January 2026 we will await a letter from the Inspector as to how the examination will proceed. • Following receipt of this letter we will be aware of the likely timescales for progressing the Local Plan. 	●	On track	09-Jan-2026
Corporate priorities - in light of LGR, management will consider having a focussed set of corporate priorities for the coming year / 2 years	31-Oct-2025	31-Oct-2025	Corporate priorities for 25-27 were taken to full council on 6th May 2025 and approved as the councils priorities for the next two years ahead of LGR	●	Completed	08-Aug-2025
Performance appraisals of the manual workforce - to Develop a suitable My Performance Conversation process for our manual workforce	30-Sep-2025	31-Mar-2026	A new form is being developed for the Venues, Community and Commercial Services Teams	●	On track	16-Jan-2026

Agenda Item 6
Appendix 1

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
Open, transparent and timely discussions with key stakeholders: external auditors, internal auditors and members on key decisions affecting council affairs	31-Mar-2026	31-Mar-2026	regular meetings have been taking place since summer with key stakeholders, including GT and SIAP.	●	On track	08-Jan-2026

FSAG ANNUAL TREASURY MANAGEMENT REPORT

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 – Printed minutes from FSAG meeting on 26 September 2025. Appendix 2 – Printed minutes from FSAG meeting on 21 November 20245 Appendix 3 – Printed draft minutes from FSAG meeting on 30 January 2026.

Summary

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

Recommendation (s)

The Committee is asked to:

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

1 Reason for Recommendation

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

2 Background

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

- 2.2 One of the agreed proposals was that responsibility for treasury management performance monitoring remain with Audit & Scrutiny but be delegated to FPP to be consolidated with FPP's responsibility for setting the annual treasury management strategy.
- 2.3 It was also agreed that to enable Audit & Scrutiny to fulfil its oversight responsibility, FPP would report back annually (or more regularly on an exception basis if required) to Audit & Scrutiny to disclose how it has exercised monitoring of the treasury management function.
- 2.4 Full Council also agreed that FPP be renamed as Financial Strategy Advisory Group (FSAG), to reflect its new wider responsibilities.
- 2.5 Over the past 12 months FSAG has considered the following treasury management reports:
 - 2.5.1 2024/25 Treasury Management Outturn – 26 September 2025;
 - 2.5.2 2025/26 Mid-Year Treasury Management – 21 November 2025;
 - 2.5.3 Treasury Management and Investment Strategy 2026/27 – 30 January 2026.

3 Financial Strategy Advisory Group meetings

- 3.1 On 26 September 2025 FSAG considered the Treasury Management Year-End Performance 2024/25 report. The report set out the final outturn position of the Council's treasury management performance for the financial year 2024/25. FSAG was asked to receive both the report and the prudential indicators. Appendix 1 contains the minutes of the meeting.
- 3.2 On 21 November 2025 FSAG consider the 2025/26 Mid-Year Treasury Management report. The report set out the treasury management performance for the first six months of 2025/26. The meeting was preceded by an hour-long treasury management training session by the Council's external treasury management advisors, MUFGE Corporate Markets, which was open to all Members and recorded for anyone unable to attend the session.
- 3.3 FSAG was asked to receive the presentation from MUFGE Corporate Markets; note the performance on return of investments for the first six months of 2025/26; note the current investment decisions being made within the terms set out in the Treasury Management and Investment Strategy; and note that 2026/27's Treasury Management and Investment Strategy, due to be presented to FSAG in January 2026, ahead of recommendation to Full Council in February 2026, will continue to be based on the local government template provided by sector specialist MUFGE Corporate Markets. Appendix 2 contains the minutes of the meeting.

- 3.4 On 30 January 2026 FSAG considered the Treasury Management and Investment Strategy 2026/27 report. The report outlined the treasury management strategy for 2026/27, which includes prudential indicators for 2026/27 to 2028/29, the Minimum Revenue Provision (MRP) policy, and the investment and borrowing strategy. FSAG was asked to recommend to Full Council that the treasury management and investment strategy be approved; and advise whether any countries should be considered for removal from the list of approved investable countries at section 7 of the treasury management and investment strategy.
- 3.5 FSAG did not propose any countries to be removed from the list of approved investable countries at section 7 to go to Full Council. Appendix 3 contains the minutes of the meeting. The [Treasury Management and Investment Strategy 2026/27](#) was included as appendix 10 of the Budget Report 2026/27 which was approved by Full Council at its meeting on 10 February 2026.

4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

4.1.1 None arising from the contents of this report.

4.2 Crime & Disorder

4.2.1 None arising from the contents of this report.

4.3 Safeguarding

4.3.1 None arising from the contents of this report.

4.4 Dependencies

4.4.1 None arising from the contents of this report.

4.5 Other

4.5.1 None arising from the contents of this report.

5 Financial Implications

- 5.1 **Section 151 Officer's comments:** The work undertaken by FSAG over the past 12 months has provided effective oversight of the Council's treasury management activity and supports the Council in fulfilling its statutory responsibilities under the Prudential Framework. Treasury performance continues to operate within the limits and indicators approved by Full Council and no compliance issues have been identified.

- 5.2 The insights provided through FSAG's monitoring, together with the ongoing support of the Council's external treasury advisors, strengthen the Council's approach to managing investment risk, liquidity and borrowing requirements. There are no direct financial implications arising from this report.

6 Legal Implications

- 6.1 **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:** None arising from the contents of this report.

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

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

- 7.6 **Local Government Reorganisation Implications:** None arising from the contents of this report as it is a backwards-looking report.

8 Background papers

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

Previous reports:

- [2024/25 Treasury Management Outturn](#) – 26 September 2025.
- [2025/26 Mid-Year Treasury Management](#) – 21 November 2025.
- [Treasury Management and Investment Strategy 2026/27](#) – 30 January 2026.

Other papers:

- [Financial Policy Panel Review](#) - Full Council – 25 July 2023
- [Budget Report 2026/27](#) – Full Council – 10 February 2026

**Minutes of the Meeting of the FINANCIAL STRATEGY ADVISORY GROUP held at
the Council Chamber, Epsom Town Hall on 26 September 2025**

PRESENT -

Councillor Neil Dallen (Chair); Councillors Kate Chinn, Alex Coley, Liz Frost and Clive Woodbridge

In Attendance: Councillor James Lawrence

Absent: Councillor Peter O'Donovan

Officers present: Cagdas Canbolat (Director of Corporate Services (S151)), Sue Emmons (Chief Accountant) and Tony Foxwell (Senior Surveyor)

5 DECLARATIONS OF INTEREST

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

6 MINUTES OF THE PREVIOUS MEETING

The minutes of the Financial Policy Panel meeting held on 27 June 2025 were agreed as a true record to be signed by the Chair.

7 2024/25 TREASURY MANAGEMENT OUTTURN

The Group received a report presenting the Council's treasury management performance in 2024/25.

Members discussed the following issues:

- The purpose of the interest equalisation reserve; whether its current level is appropriate; falling interest rates and cash balances and their impact on treasury management income; and the amount of treasury management income budgeted for within the 2025/26 budget.
- The nature of the Council's cashflow, peaks and troughs and how this influences the way in which the Council utilises the different forms of investments available, such as fixed-terms deposits, money market funds and its interest-bearing account.

- How the Treasury Management Strategy governs how officers can invest Council funds.
- The drop in level of investments from £23.2m in March 2024 to £19.8m in March 2025 and how this can be seen in the decrease in the balance of useable reserves in the Council's 2024/25 Statement of Accounts.

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

- (1) Receive the report on the Council's treasury management performance in 2024/25;**
- (2) Receive the 2024/25 prudential indicators.**

8 INITIAL CAPITAL PROPOSALS 2026/27

The Group received a report presenting the initial proposals for the 2026/27 Capital Programme and seeking guidance as to which of them should be worked into detailed proposals for further consideration in November 2025.

Members discussed the following issues:

- What constitutes capital expenditure.
- The current year's capital programme and whether any grant funding would need to be returned if schemes are not delivered in time.
- Members requested that at its January 2026 meeting, Environment Committee consider releasing the capital budget for Alexandra Rec Dojo back to the capital programme, as it is understood that the spend to save criteria has now fallen away.
- Whether the review of reserves to be considered by this Group in November may identify additional funds to support the capital programme.
- Members then considered each proposal in turn and made the following comments:

Epsom Playhouse – Replacement of Auditorium Air Conditioning and controls

To be progressed to detail stage but to be combined with the Epsom Playhouse - Replacement boilers and controls scheme to come forward as one detailed proposal.

The Epsom Playhouse – Front of House toilet Refurbishment

To be progressed to the detailed stage.

Epsom Playhouse - Replacement boilers and controls

To be progressed to detail stage but to be combined with the Epsom Playhouse – Replacement of Auditorium Air Conditioning and controls scheme to come forward as one detailed proposal.

Bourne Hall - Replace lift controls

To be progressed to the detailed stage.

Bourne Hall - External Redecorations

This is considered revenue as it is maintenance. Members requested that it is considered for inclusion in the 2026/27 Planned Maintenance Programme to be considered by the Strategy & Resources Committee in January 2026.

Bourne Hall - Replacement of High-level roof covering & insulation

To be progressed to the detailed stage.

Bourne Hall - Bourne Hall Replacement of all heating and ventilation plant/air handling with energy efficient heat pumps

This proposal comprised of two options, both of which were requested to be progressed to the detailed stage. As part of the detailed proposal, Members asked for confirmation as to whether a contribution from Surrey County Council would be available for either scheme.

Ashley Centre Car Park - Level 5 Replacement of Lamp Columns

To be progressed to the detailed stage.

Ashley Centre multi-storey car park - overcoating waterproof membrane

To be progressed to the detailed stage.

Uppermill pond band replacement - Phase 2

To be progressed to the detailed stage.

West Ewell allotments - new fencing

This was considered as revenue as it is maintenance. Members asked officers to look for revenue funding to enable these works to take place.

Stew Ponds removal of silt

Members did not support this proposal progressing to the detailed stage and requested that Environment Committee consider releasing the existing committed capital funding of £150k to the main programme to fund higher priorities. This scheme should be reconsidered in the future should external match funding become available.

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

- (1) Provide guidance on which of the initial schemes in the first draft 2026/27 capital programme should be developed for further consideration in November 2025.**

The meeting began at 2.00 pm and ended at 3.31 pm

COUNCILLOR NEIL DALLEN (CHAIR)

**Minutes of the Meeting of the FINANCIAL STRATEGY ADVISORY GROUP held at
the Council Chamber, Epsom Town Hall on 21 November 2025**

PRESENT -

Councillor Neil Dallen (Chair); Councillors Kate Chinn, Alex Coley, Liz Frost and Clive Woodbridge

Absent: Councillor Peter O'Donovan

Officers present: Cagdas Canbolat (Director of Corporate Services (S151)) and Sue Emmons (Chief Accountant)

9 DECLARATIONS OF INTEREST

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

10 MINUTES OF THE PREVIOUS MEETING

The Minutes of the Financial Policy Panel meeting held on 26 September 2025 were agreed as a true record to be signed by the Chair.

11 2025/26 MID-YEAR TREASURY MANAGEMENT

The Group received a report presenting the Council's 2025/26 mid-year treasury management performance. The majority of Members attended a Treasury Management training session held just before this meeting, where the Council's external Treasury Management advisor gave a detailed presentation of relevant Treasury Management issues and provided information specific to Epsom & Ewell.

The question was asked as to what the maturity dates of the Council's fixed term deposits were. Officers didn't have the answer in the meeting, and would provide it afterwards*.

** Note: Following the meeting it was confirmed that one investment matured at the end of October and is currently held in a Money Market Fund; two further fixed term deposits held are due to mature in April 2026 and September 2026.*

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

- (1) **Receive the presentation from MUFG Corporate Markets (formerly Link Asset Services – Treasury Solutions);**
- (2) **Note the performance on return of investments for the first six months of 2025/26;**
- (3) **Note the current investment decisions being made within the terms set out in the Treasury Management Strategy;**
- (4) **Note that 2026/27’s Treasury Management Strategy, due to be presented to Financial Strategy Advisory Group in January 2026, ahead of recommendation to Full Council in February 2026, will continue to be based on the local government template provided by sector specialist MUFG Corporate Markets.**

12 FINAL CAPITAL PROPOSALS - 2026/27

The Group received a report presenting the final proposals for the 2026/27 Capital Programme and seeking guidance as to which of these should be taken to the relevant policy committee in January 2026 to seek support for inclusion within the 2026/27 Capital Programme.

Members discussed the following issues:

- What funds are available to fund these schemes and what options exist should the total cost of the schemes recommended for approval exceed the available funding.
- The issues around procuring contractors to undertake the works and whether the time required to undertake the procurement process would conflict with a new unitary authority taking control.
- Whether there was capacity within the Council to undertake all of the proposed schemes.
- Members then considered each proposal in turn and made the following comments:

Ashley Centre multi-storey car park - overcoating waterproof membrane

This scheme was supported and requested that it be taken to Environment Committee in January 2026 to seek support for recommendation to Full Council.

Ashley Centre Car Park - Level 5 Replacement of Lamp Columns

Whilst there was agreement that this scheme should be undertaken, it was agreed that it should be resubmitted for a future year.

Uppermill pond band replacement - Phase 2

This scheme was supported and requested that it be taken to Environment Committee in January 2026 to seek support for recommendation to Full Council.

Epsom Playhouse – Replacement of boilers and controls and auditorium air conditioning and controls

This scheme was supported and requested that it be taken to Community & Wellbeing Committee in January 2026 to seek support for recommendation to Full Council.

The Epsom Playhouse – Front of House toilet Refurbishment

Whilst there was agreement that Members would like to see this scheme undertaken, the lack of funds meant it was not supported.

Bourne Hall - Replace lift controls

This scheme was supported and requested that it be taken to Community & Wellbeing Committee in January 2026 to seek support for recommendation to Full Council.

Bourne Hall - Bourne Hall Replacement of all heating and ventilation plant/air handling with energy efficient heat pumps

This proposal was supported but it was noted that agreeing the scheme would exceed the available funding available. The Group asked officers to look into proposals for funding the scheme and that if found, the scheme should be taken to Community & Wellbeing Committee in January 2026 to seek support for recommendation to Full Council.

Bourne Hall - Replacement of High-level roof covering & insulation

This proposal was supported but it was noted that agreeing the scheme would exceed the available funding available. The Group asked officers to look into proposals for funding the scheme and that if found, the scheme should be taken to Community & Wellbeing Committee in January 2026 to seek support for recommendation to Full Council.

Disabled Facilities Grant Programme

This scheme was supported and the Group requested that it be taken to Community & Wellbeing Committee in January 2026 to seek support for recommendation to Full Council. However, it was noted that if the external grant funding is lower than the amount budgeted, the budget should reduce accordingly.

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

- (1) Provide guidance on which of the final proposals should be taken to the relevant policy committee in January 2026 to seek support for inclusion within the 2026/27 Capital Programme.**
- (2) Identify which schemes should be approved and which should be removed from the list of proposals in section 4.1 of the report.**

The meeting began at 2.00 pm and ended at 3.15 pm

COUNCILLOR NEIL DALLEN (CHAIR)

Minutes of the Meeting of the FINANCIAL STRATEGY ADVISORY GROUP held on 30 January 2026

PRESENT -

Councillors: Neil Dallen (Chair), Liz Frost, Kate Chinn, Alex Coley, Clive Woodbridge.

Apologies: Peter O'Donovan.

Councillors in attendance: James Lawrence.

Officers present: Cagdas Canbolat (Director of Corporate Services & Chief Finance Officer (S151), Sue Emmons (Chief Accountant).

1 DECLARATIONS OF INTEREST

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

2 MINUTES OF THE PREVIOUS METING

The minutes of the Financial Policy Panel meeting held on 21 November 2025 were agreed as a true record to be signed by the Chair.

3 Budget and Council Tax Report 2026/27

The Group received a report providing an update on the preparation of the budget for 2026/27. The report seeks final guidance from the group prior to the finalisation of the Budget and Council Tax report for Full Council on 10 February 2026.

Members discussed the following issues:

- The impact of national changes to local business rates bills.
- How the finance settlement will impact funding of temporary accommodation pressures.

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

With five votes for:

- 1. Provide the Chief Finance Officer with any further feedback needed to finalise the 2026/27 Budget and Council Tax report before the paper is taken to Full Council.**

With five votes for:

- 2. Note the provisional Local Government Financial settlement for 2026/27 announced on 17 December 2025.**

With five votes for:

- 3. Support that any surplus/deficit on 2025/26 business rates income, and any change in projected business rates income for 2026/27, will be offset by a transfer to / from the Collection Fund Equalisation Reserve.**

With three votes for and two against:

- 4. Support a recommendation to Council of a council tax increase of 2.98% (£6.93 per annum for a Band D equivalent property) for 2026/27**

4 Treasury Management and Investment Strategy 2026/27

The Group received a report outlining the treasury management and investment strategy for 2026/27, which includes prudential indicators for 2026/27 to 2028/29, the minimum revenue provision (MRP) policy, and the investment and borrowing strategy. It is a legislative requirement that these items be approved by Full Council.

Members discussed the following issues:

- An explanation of the figures within table 3.1 which sets out the treasury investments as at 31 March and 31 December 2025.
- A missing figure in the second table under section 2.1 for the CIL and S106 funding for 2026/27 which should have listed the figure £3,695 and will be corrected in the document presented to Full Council in February.
- Whether any amendments should be made to the list of countries in section 7. No countries were removed from the list.
- Whether the Epsom & Ewell Treasury Management and Investment Strategy aligns with the other districts due to become part of East Surrey.

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

- 5. Recommend to Full Council that the treasury management and investment strategy, which includes the following, be approved:**

- 5.1. The treasury management strategy and the treasury prudential indicators contained therein;**

- 5.2. The capital prudential indicators and limits;**

- 5.3. The borrowing strategy contained within the treasury management statement;**
- 5.4. The annual investment strategy;**
- 5.5. The minimum revenue provision policy statement;**
- 5.6. The treasury management practices.**
- 6. Advise whether any countries should be considered for removal from the list of approved investable countries at section 7 of the treasury management and investment strategy in the appendix.**

The meeting began at 2.00pm and ended at 2:35pm.

Councillor Neil Dallen (Chair)

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EXTERNAL AUDIT UPDATE - 2025-26 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 2025/26 Appendix 2 – Enquiries of Management

Summary

This report presents the External Audit Plan for 2025/26.

Recommendation (s)

The Committee is asked to:

- (1) Receive and note the External Audit Plan for 2025/26 as set out in Appendix 1 and acknowledge that the S151 Officer is satisfied with the details of the scope of the audit.
- (2) Receive and note the enquiries of management document as set out in Appendix 2.

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 2024/25 external audit provided the Council with an unqualified (favourable) opinion on the accounts. Audit and Scrutiny Committee received Grant Thornton's 2024/25 Annual Auditors' Report in February 2026.
- 2.2 The Council is due to publish its unaudited 2025/26 Statement of Accounts by 30 June 2026.
- 2.3 LG Improve have released a table showing the number of local authorities who have published 2024/25 audited accounts. This is shown below:

		2023/24				2024/25			
		Not published	Draft	Final	Disclaimer	Not Published	Draft	Final	Disclaimer
ILB		0	0	8	4	0	0	8	4
OLB		0	0	3	17	0	0	3	17
Met		0	1	19	16	0	3	18	15
Unitary		0	3	25	34	0	6	25	31
County		0	0	11	10	0	3	9	9
Upper Tier		0	4	66	81	0	12	63	76
Districts		0	9	53	102	1	17	51	95
Total England		0	13	119	183	1	29	114	171

Information as at 27 February 2026.

The table shows that whilst the majority of local authorities have published their final 2024/25 accounts, 60% of those have disclaimed accounts. Epsom & Ewell sit within the 40% with an unqualified (favourable) opinion.

3 Proposals

- 3.1 Grant Thornton has prepared an audit plan for the 2025/26 Statement of Accounts as shown in Appendix 1.
- 3.2 The plan outlines the key risks and requirements for 2025/26 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 2025/26 (Appendix 1).
- 3.5 As the sector moves to address the audit backlog that developed after the pandemic, the dates for publishing draft accounts and completing audits have been moved to earlier deadlines for the 2025/26 accounts. Grant Thornton therefore expects to undertake the 2025/26 audit between July and November 2026, with the final audit report to be presented to Audit & Scrutiny Committee in November 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. The management responses to these questions are detailed in appendix 2.

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 the 2024/25 Statement of Accounts was £183,172, (£172,455 in 2023/24) and the 2025/26 audit scale fee is expected to be £174,679 which has been fully budgeted.

5.2 **Section 151 Officer's comments:** The Council received an unqualified (favourable) opinion on its Statement of Accounts from the external auditor for 2024/25. The External Audit Plan for 2025/26 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 & Scrutiny Committee, 5 February 2026.

Other papers:

- None.

The Indicative Audit Plan for Epsom and Ewell Borough Council

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Introduction and headlines



Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Epsom and Ewell Borough Council ('the Council') and Group 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.

The Indicative Audit Plan

This Plan is an Indicative Audit plan as some planning procedures are yet to be completed at time of writing. We are awaiting the following from management:

- planning inquiries response from management and those charged with governance; and
- information regarding opening balances, analytical review, journals business process and cyber security.

We will communicate the Indicative Audit Plan to those Charged with Governance at the Audit and Scrutiny Committee on the 19th of March 2026.

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 and Group 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 and Group and is risk based.

Introduction and headlines (continued)

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 Investment property
- Valuation of Defined Benefit Pension 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.

Materiality

We have determined Group planning materiality to be £1.3m, which equates to 2.5% of prior year gross operating costs. Following this, for the Council, we have determined planning materiality to be £1.235m (PY £1.235m), using the same benchmark as the Group, and is capped at 95% of Group materiality. For Epsom and Ewell Property Investment Company, we have determined planning materiality to be £715k.

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 £65k (PY £65k) for the Group and Council.

Group Audit

The Council is required to prepare Group financial statements that consolidate the financial information of Epsom and Ewell Property Investment Company (EPIPIC) 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.

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has not identified any significant weakness areas or related risks, requiring separate attention. We will continue to monitor and update our risk assessment and responses until we issue our Auditor's Annual Report.

Audit logistics

Our audit planning visit took place in February 2026 though we are currently awaiting response to the items set out on page 3.

We are introducing this year an interim visit during March to undertake some early testing. We set out on page 17 further details of the areas in discussion with management. Our audit fieldwork and completion stages are scheduled to take pace between July and November 2026.

Our key deliverables are this indicative Audit Plan, our Audit Findings Report, our Auditor's Report and Auditor's Annual Report.

Our proposed fee for the audit is £175k (2024/25 £183k) for the Council, subject to the Council delivering a good set of financial statements and working papers, no significant changes in scope to the Audit, management being responsive to audit requests and providing sufficient appropriate audit evidence when requested.

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.

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

Management override of controls

Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.

Risk relates to Council

Audit team’s assessment

We have therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.

Planned audit procedures

We will:

- review accounting estimates, judgements and decisions made by management
- test journal entries
- review unusual significant 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).

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Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p>Valuation of Property assets including – Other Land and Buildings- £73 million and Investment Properties- Group- £113 million Council- £63 million</p> <p>One of the changes introduced to the 2025/26 Code is around a revaluation expedient for property, plant and equipment requiring valuations once every five years or on a five-year rolling basis and supported by indexation in intervening years. Alternatively, a desktop valuation in year three in rare cases where no index is available. The Council as required by the Code has all Investment properties revalued on an annual basis. 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>Risk relates to Council and Group</p>	<p>The valuation of land and buildings and Investment Properties represents a significant estimate in the financial statements. It is considered a significant estimate due to its size, complexity and sensitivity to changes in key assumptions.</p> <p>We have therefore identified it as a significant risk for the audit.</p>	<p>We will:</p> <ul style="list-style-type: none"> • document our understanding management's process and controls for the calculation of the estimate • evaluate the competence, capabilities and objectivity of management's expert • evaluate the consistency of the disclosure with the valuation report • evaluate the basis on which the valuations have been carried out • evaluate the information and assumptions used by the valuer • evaluate the accounting entries for the valuation • evaluate the reasonableness of the assumptions used to form the estimate

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p>Valuation of the pension fund net liability - assumptions applied by the professional actuary in their calculation</p> <p>Risk relates to</p> <p>Council</p>	<p>The valuation of the pension fund net liability represents a significant estimate in the financial statements. It is considered a significant estimate due to its size, complexity and sensitivity to changes in key assumptions. We have therefore identified it as a significant risk for the audit.</p>	<p>We will:</p> <ul style="list-style-type: none"> • document our understanding management's process and controls • evaluate the competence, capabilities and objectivity of management's expert • evaluate the consistency of the disclosure with the actuarial report • evaluate the reasonableness of the assumptions used to form the estimate • obtain assurances from the pension fund auditor on the underlying data shared by the fund to the actuary which has been used in the calculation of this estimate • where IFRIC 14 is applicable we will review the IFRIC 14 assessment carried out by the actuary and evaluate the reasonableness of the assumptions used as part of the assessment.

Significant risks identified (continued)

Significant risk	Audit team's assessment	Planned audit procedures
<p>The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue</p> <p>Risk relates to Council and Group</p>	<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, Interest and Investment Income, 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 • Carry out testing on a sample basis of invoices issued and cash received in the period prior to and following 31 March 2026 to determine whether income is recognised in the correct accounting period, in accordance with the amounts billed to the corresponding parties.

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Significant risks identified (continued)

Significant risk	Audit team’s assessment	Planned audit procedures
<p>The expenditure cycle includes fraudulent transactions</p> <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>Risk relates to</p> <p>Council and Group</p>	<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, covering Employee Benefit Expenditure, Housing Benefit Expenditure and Other Service Expenditure. 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 payables and accruals to invoices or other supporting evidence; and • Carry out testing on a sample basis of invoices received and cash paid in the period prior to and following 31 March 2026 to determine whether expenditure is recognised in the correct accounting period, in accordance with the amounts billed to the corresponding parties.

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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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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.

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.

Description

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, sector developments, financial stability and reporting requirements for the financial statements

Planned audit procedures

We determine planning materiality in order to:

- establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements
- assist in establishing the scope of our audit engagement and audit tests
- determine sample sizes and
- assist in evaluating the effect of known and likely misstatements in the financial statements.

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Other factors

An item does not necessarily have to be large to be considered to have a material effect on the financial statements

An item may be considered to be material by nature when it relates to instances where greater precision is required.

Reassessment of materiality

Our assessment of materiality is kept under review throughout the audit process

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.

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Our approach to materiality

We determined materiality at the planning stage as £1.3m for the Group and £1.24m for the Council. The headline materiality is based on 2.5% of prior year gross expenditure for the Group and Council respectively. At year-end, we have reconsidered planning materiality based on the draft financial statements. Based on the updated figures, materiality for the Group and all components has not changed significantly. Accordingly, we have decided to retain the planning materiality previously set.

A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

- We have determined materiality at £1.3m for Group and £1.24m for Council based on professional judgement in the context of our knowledge of the Group and Authority.

We have used 2.5% of gross expenditure as the basis for determining materiality.

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Performance materiality

- We have determined performance materiality at £0.98m for the Group and £0.93m for the council. This is based on 75% of headline materiality.

Component Performance materiality

- Where audit work on components is being performed using component performance materiality, this has been set at £0.54m with the component materiality used reflecting the relative risk and size of that component to the group.

Reporting threshold

- We will report to you all misstatements identified in excess of £65k, in addition to any matters considered to be qualitatively material.

A summary of our approach to determining materiality is set out below.

	Group (£)	Authority (£)	Subsidiary (£)
Materiality for the financial statements	1,300,000	1,235,000	715,000
Performance materiality	975,000	926,000	536,000
Reporting threshold	65,000	65,000	N/a

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Progress against prior year audit recommendations

We identified the following issues in our 2024/25 audit of the Council's financial statements, which resulted in four recommendations being reported in our 2024/25 Audit Findings Report and two having been raised in our 23/24 report that were not addressed by the 2024/25 audit. We have followed up on the implementation of our recommendations and they are still to be addressed.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
In progress	<p>Source Data Delivery to the Valuer (Property, plant and equipment and Investment properties)</p> <p>We identified discrepancies in the source data used by the Council's valuation expert compared to the supporting evidence maintained by the Council.</p> <p>Inaccurate or incomplete data supplied to valuers increases the risk of property valuations being misstated. Differences were noted in floor areas, rental amounts and lease terms used by the valuer versus those outlined in Council records, resulting in a valuation variance.</p>	<p>Management Response 2024/25</p> <p>Work is underway to ensure that all documentation required to support the figures supplied to the Council's external valuers is up to date and retained for future reference. This work will be complete before the audit of the 2025/26 accounts begins.</p> <p>Management update 2025/26</p> <p>The council is ensuring that it has documentation for all figures provided to the valuer for 2025/26, and will double-check these against the figures used in the valuation worksheets once received.</p>
In progress	<p>IFRS 16 - Leases</p> <p>We identified trivial variance in the recalculation of opening and closing balances of right of use assets and lease liabilities due to incorrect application of the appropriate discount rate methodology, and non-segregation of maintenance and service components from lease payments.</p> <p>We also identified trivial variances in recalculation of future lease income receivable under operating lease.</p>	<p>Management Response 2024/25</p> <p>The right of use assets and lease liabilities figures will be amended for 2025/26. Any new assets will be double checked for any maintenance costs included within lease payments, and a reasonability check applied to calculations undertaken, to spot if any errors have occurred. A double check of the methodology will be undertaken for new right of use assets to ensure the figures are correct.</p> <p>Management update 2025/26</p> <p>Balances will be updated for the 2025/26 accounts, and figures will be double-checked for accuracy.</p>

Progress against prior year audit recommendations (continued)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
In progress	<p>Completeness of related parties</p> <p>During our audit of the related parties' disclosure, we perform independent check for related parties of the Councillors using a Companies House Search to identify any related parties not included in the management's related party register. We found that one related party for one Councillor was missing from the register. As part of ensuring the completeness of related parties, management should have a control that should detect such omissions.</p>	<p>Management Response 2024/25</p> <p>The legal duty for ensuring that elected Members declare their interests and keep that up to date throughout their term lies upon each elected Member. This is clear within the wording of the Member Code of Conduct adopted by the Council, which in turn adopted the LGA Model Code. They are reminded of this when they are provided training as part of their induction shortly after their election and this is repeated after each 4-year term. The recommendation is disproportionate to the identified risk and where no material consequences have been evidenced. The Council does not consider the additional resources required to adopt the recommendation to be either essential or proportionate, particularly as Council budgets and resources are under significant pressure.</p> <p>Management update 2025/26</p> <p>We have added a task to our closing timetable to check with Democratic Services as to whether Members have completed updated declarations to ensure they have been captured and included within the annual declaration they submit as part of the 2025/26 accounts process.</p>
In progress	<p>Investment properties formal valuation</p> <p>During our audit, we found that seven investment properties were not formally revalued in FY 2025. Upon pro-rating the opening value to the overall percentage movement in the value of re-valued investment properties, we did not identify any material adjustment in terms of these properties' valuation. In our opinion, all investment properties as at the year-end should be revalued every year in accordance with the CIPFA Code.</p>	<p>Management Response 2024/25</p> <p>While management recognises the provision within the CIPFA Code, the properties in question are relatively small and this does not result in a material misstatement to the accounts. In light of the fact that these properties are not material, the Council does not consider the cost of the yearly valuation essential, particularly as Council budgets are under significant pressure, and will seek to review the valuation of these properties over a longer time period.</p> <p>Management update 2025/26</p> <p>The low-value investment properties have been included on the list of properties to be valued for 2025/26.</p>

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 audits and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audits 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	General Ledger and Financial Reporting	<ul style="list-style-type: none"> ITGC assessment (design and implementation)

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Interim Audit Work

Details of work to be conducted at interim:

The backstop date is moving earlier in the year, as a result and to ensure that all work can be completed by this date, we will be using an interim visit as a key part of the audit approach. Interim visits should be treated with the same importance as final accounts and will include regular catch-ups between management and the audit team to facilitate this work. An indicative plan of the areas that we would cover at interim is set out below, this will be finalised and agreed with management prior to the commencement of our interim visit.

Description	Work commentary
Advance testing areas	<p>We will select samples and perform advanced testing on:</p> <ul style="list-style-type: none"> • Fees and charges • Grant income • Operating expenditure • REFCUS • Existence testing
Payroll	<p>We will:</p> <ul style="list-style-type: none"> • Select & test a sample of starters, leavers and change of circumstances • Review monthly payroll reports up to month 9.
Significant / one-off transactions / changes in policy	<p>We will inquire/perform a review of the council's approach to PPE valuations and implementation of indexation within the revaluation cycle. This includes query to management on how the indexation on PPE valuation will be implemented including any inputs from the external valuer.</p>
Collation of year end balance information	<p>Obtain year-end listing of bank, investments and borrowing accounts, along with the corresponding authority letter, to enable the issuance of year-end balance confirmations</p>

Value for Money Arrangements

Approach to Value for Money work for the period ended 31 March 2026

The National Audit Office updated its Code of Audit Practice in November 2024. The Code expects auditors to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report a commentary each year under the specific reporting criteria and where significant weaknesses in arrangements are identified. The new Code requires auditors to share a draft Auditor’s Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement was introduced from November 2025. The three specified reporting criteria are set out below:

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Financial sustainability

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



Governance

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



Improving economy, efficiency and effectiveness

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



Planning is in progress and no significant VfM risks have been identified to date. We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our AAR. Should any further risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. Any significant weaknesses identified will be reflected in our AAR and included within our audit opinion.

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Risks of significant weakness in VFM arrangements

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 indicative audit plan and the assumptions used to derive our fee. Consideration of prior year significant weaknesses and known areas of risk is a key part of the risk assessment for 2025/26. 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:

Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 risk-based procedures planned
Financial sustainability	A <ul style="list-style-type: none"> No risk of significant weakness identified 	<ul style="list-style-type: none"> No risk of significant weakness identified 	As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code; we will follow up on the 23/24 improvement recommendations.

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendation(s) made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Risks of significant weakness in VFM arrangements

(continued)

Criteria	2024/25 Assessment of arrangements	2025/26 Risk assessment	2025/26 risk-based procedures planned
Governance	<p>A</p> <ul style="list-style-type: none"> No significant weaknesses in arrangements identified. One improvement recommendation raised 	No risks of significant weakness identified	As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code and follow up improvement recommendations made in 2024/25.
Improving economy, efficiency and effectiveness	<p>G</p> <ul style="list-style-type: none"> No significant weaknesses in arrangements identified. No improvement recommendations made. 	No risks of significant weakness identified	As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code.

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendation(s) made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Risks of significant VFM weaknesses

As part of our initial planning work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources where we needed to perform additional procedures. The risks we have identified are detailed on the table overleaf along with the further work we will perform. We will continue to review the Council'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 table below.

Potential types of recommendations



Statutory recommendation

Written recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Council 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 Council. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

Auditors may also include areas for improvement or to keep in view even if they do not identify any underlying significant weaknesses in arrangements. These recommendations set out actions for consideration which are not a result of identifying significant weaknesses in arrangements, but which if not addressed could increase the risk of a significant weakness in future periods.

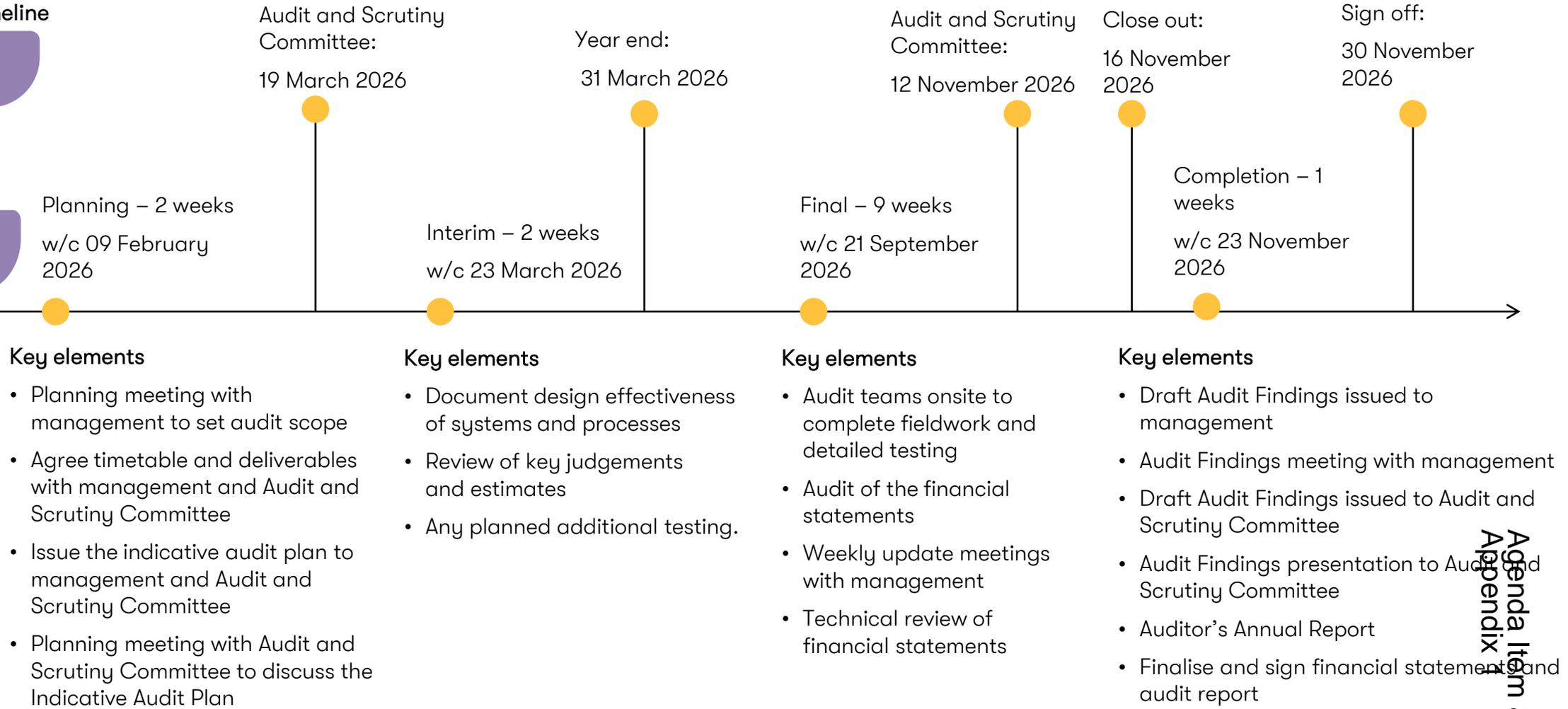
Logistics

The audit timeline

Key Dates

Audit phases:

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Our team and communications

Grant Thornton core team

<p>Ade Oyerinde Engagement Lead/Key Audit Partner</p> <ul style="list-style-type: none"> • Key contact for senior management and Audit and Scrutiny Committee • Overall quality assurance 	<p>Usman Rasheed Audit Manager</p> <ul style="list-style-type: none"> • Indicative audit planning • Resource management • Performance management reporting 	<p>Matt Lee Value for Money Assistant Manger</p> <ul style="list-style-type: none"> • Planning the Value for Money audit • Drafting and agreeing the Annual Audit report with management. 	<p>Amrita Sekhon In-charge</p> <ul style="list-style-type: none"> • On-site audit team management • Day-to-day point of contact • Audit fieldwork
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Pool of specialists and other technical specialists, including IT and financing 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 indicative audit plan • The Audit Findings • 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

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Our fee estimate

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 good quality sets 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 estimates 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.

Our fee estimate also assumes that you will engage suitably competent experts to assist management in the following areas:

- Revaluation of Property Assets including Investment Property
- Measurement of the defined pension liability
- Financial instrument disclosures
- Measurement of the Non-Domestic Rates appeals provision

Previous year

In 2024/25 the scale fee set by PSAA was £170k. The actual fee charged for the audit, including audit of subsidiary companies (where applicable) was £183k.

Company	Audit Fee for 2024/25 (£)	Proposed fee for 2025/26 (£)
Epsom and Ewell Borough Council Audit	169,922	174,679
Additional work related to IFRS 16	8,500	-
Additional audit costs due to delay in receipt of information **	4,750	-
Total (Exc. VAT)	183,172	174,679

** The additional fees are subject to approval from PSAA

Our fee estimate (continued)

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

Local Government Audit fees are set by PSAA as part of their national procurement exercise. In 2023 PSAA awarded a contract of audits for the Council to begin with effect from 2023/24. The scale fee set out in the PSAA contract for the 2025/26 audit is £174,679.

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 or opinion issued (but not before 1 December 2025)
- Production of the draft indicative 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.

Fees and non-audit services

The following tables below sets out the non-audit services that we have been engaged to provide or charged from the beginning of the financial year, 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. Other than disclose below, there are no other non audit services.

Assurance Service Fees

Service	Fees £	Threats Identified	Safeguards applied
Certification of Housing Benefits Grant return	For the 2023-24 audit the Core Fee was £45,000. The additional fees based on additional testing as required by the DWP instructions, is to be finalised on completion of certification.	Self-Interest (because this is a recurring fee) Self-review (because Grant Thornton provides audit services)	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. To mitigate against the self-review threat, the timing of certification work is done after the audit has completed. Any changes to subsidy payable will be determined by DWP and we will have no involvement in the decision. 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.

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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 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 Group.
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 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 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 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.

Communication of audit matters with those charged with governance

Our communication plan	indicative 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	●	●

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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 indicative 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.

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Communication of audit matters with those charged with governance (Continued)

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.

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Our communication plan	indicative audit plan	Audit Findings
Views about the qualitative aspects of the 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		●

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Financial reporting changes

Changes to the CIPFA Code of practice on local authority accounting for 2025/26

The main change is a revaluation expedient for property, plant and equipment. From 1 April 2025, revaluations are required once every five years or on a five year rolling basis with indexation in intervening years. This is a substantial change to the accounting for non current asset, that may require engagement with valuers, changes to underlying systems, asset records and accounting treatment.

New or revised accounting standards that are expected to be adopted by the CIPFA Code in future years.

Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

The International Accounting Standards Board (IASB) issued amendments to IFRS 9 and IFRS 7 to improve the reporting of nature-dependent electricity contracts, such as power purchase agreements (PPAs). These contracts, which secure electricity from sources like wind and solar power, can vary due to uncontrollable factors like weather. The amendments clarify the 'own-use' requirements, permit hedge accounting for these contracts, and introduce new disclosure requirements to help users of the accounts understand their impact on an entity's financial performance and cash flows. The amendments are expected to be adopted by the CIPFA Code for **2026/27**.

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 (including settling financial liabilities using an electronic payment system), adds guidance on the solely payment of principal and interest (SPPI) criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the CIPFA Code for **2026/27**.

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 comprehensive income and expenditure statement as well as introduce specific disclosure requirements. Some of the key changes are:

- introducing new defined categories for the presentation of income and expenses
- 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 will be effective in the UK from 1 January 2027 and so could impact the CIPFA Code from **2027/28**.

Scope of Group audit

	Company name	Risk of material misstatement to the Group	Location	Auditor	Audit scope	Specific account balances in scope	Statutory audit
Council	Epsom and Ewell Borough Council	Yes	Surrey	Grant Thornton UK			Yes
Council Subsidiary	Epsom and Ewell Property Investment Company EEPIC	Yes	Surrey	Grant Thornton UK		<ul style="list-style-type: none"> Investment properties Cash at bank Rental revenue Gain/(loss) on revaluation of investment properties 	Yes

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Audit scope

- Audit of the entire financial information of the component
- Specific audit procedures designed by the Group auditor
- Specific audit procedures designed by a component auditor
- Analytical procedures at Group level

Scope of Group audit (continued)

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.

Key changes within the Group

There have been no changes to the Group structure in the current year. The Group continues to comprise Epsom and Ewell Borough Council as parent and one wholly owned subsidiary (100%).

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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.

Involvement in the work of component auditors

No component auditor is involved. The Group auditor (GT) will perform audit procedures on specific balances of subsidiary as set out in page 33. Therefore, all audit work for Group and component financial information is performed by the same audit team, and ISA (UK) 600 Revised requirements for involvement in a component auditor's work are not applicable.



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Audited body: Epsom and Ewell Borough

Year ended: 2025/26

Enquiries of management and others

Questions	Meeting notes (PY response management to update for 25/26)	Audit team to complete	Audit team to complete
General inquiries			
<p>1. What do you regard as the key events or issues that will have a significant impact on the financial statements for 2025/26?</p>	<p>Changes in economic/social activity following the 'cost of living' crisis – with elevated inflation, energy costs and interest rates – have all continued to place pressure on services, notably homelessness, planning and car parking. Budget monitoring during 2025/26 highlighted an adverse variance of £1.175m within the homelessness service which is being addressed in 2026/27 by an injection of an additional £750k budget for nightly paid accommodation and additional staff to mitigate the demand for temporary accommodation.</p> <p>Elevated interest rates can also cause significant asset valuation movements on the Council's Balance Sheet. For example, valuations of property and the pension liability are all heavily impacted by economic conditions. Interest rates remained high relative to previous years, resulting in higher than expected interest income.</p> <p>These impacts have been quantified by independent actuarial and property valuation reports and will be factored into the 2025/26 financial statements accordingly.</p>		<p>Respond to Risks - > LT Borrowings/ Going concern consideration/ Group audit risk assessment and planning</p>
<p>2. Have you considered the appropriateness of the accounting policies adopted by Epsom and Ewell Borough Council?</p> <p>Have there been any events or transactions that may cause you to change or adopt new accounting policies? If so, what are they?</p>	<p>Management considers that the accounting policies recommended by CIPFA's Code of Practice remain appropriate for EEBC for 2025/26.</p> <p>There have been no events or transactions that cause a change or new accounting policies.</p> <p>For 2025/26 the Council will implement indexation for properties not revalued at the balance sheet</p>		

	date, in line with the new Accounting Code requirement.		
3. Is there any use of financial instruments, including derivatives? If so, please explain	The Council does not use derivatives. Financial instruments used by the Council are unchanged in nature from those reported in the 2024/25 Statement of Accounts (Note 18).		
4. Are you aware of any significant transaction outside the normal course of business? If so, what are they?	All transactions have been undertaken as part of the normal course of business.		See our assessment on question 1 above
5. Are you aware of any changes in circumstances that would lead to impairment of non-current assets? If so, what are they?	Not at the current time. Our external valuers assess all investment properties, and other non-current assets due for re-valuation, including associated property leases. The external valuers also provide a market commentary report, which is used by accountants to determine whether any other assets need to be impaired or revalued.		
6. Are you aware of any guarantee contracts? If so, please provide further details	Management is not aware of any guarantee contracts.		Group audit risk assessment and planning
7. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements? If so, please provide further details	<p>The Council continues to support an ongoing Health & Safety Executive investigation following an incident in December 2021 involving a waste collection vehicle. The Council has increased the provision set aside in 2023/24's by £250k to £500k to reflect the risk that a financial liability may arise.</p> <p>The council added a new provision of £163k to the 2024/25 accounts relating to the misclassification of providers for housing benefit, resulting in the Council claiming too much housing benefit. This was an administrative error, resulting from a misclassification of Community Interest Companies and Charities (for which the Council has to fund a top up to Housing Benefit) as providers of social housing (for whom the DWP compensates the council for the full housing benefit claim). This issue remains with the DWP for review.</p>		

8. Other than in house solicitors, can you provide details of those solicitors utilised by Epsom and Ewell Borough during the year. Please indicate where they are working on open litigation or contingencies from prior years?	The Council has provided the external auditor with a list of solicitors used during the 2025/26 financial year.		Litigation and claims
9. Have any of the Epsom and Ewell Borough's service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements? If so, please provide further details	No such reports have been received.		
10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?	<p>The Council subscribes to CIPFA's Better Governance Forum to receive regular bulletin/sector updates, but we didn't need to consult them on anything specific in the year. The Council is also a member of the National Anti Fraud Network; the Network identifies and shares potential frauds from across the sector, including around Covid related business grants, for the Council to be aware of.</p> <p>The Council also uses advisors for any service specific matters requiring independent specialist advice that is not available inhouse, a list of advisors has been provided to the external auditors.</p>		Management's experts
11. Have you considered and identified assets for which expected credit loss provisions may be required under IFRS 9, such as debtors (including loans) and investments? If so, please provide further details	The Council reviews at year-end all its assets, including debtor balances, loans and investments, for any indication of credit losses. At the current time, no material credit losses are expected. Should any arise, however, these would be recognised in the financial statements in accordance with IFRS9 and proper accounting practice.		Refer to Bad debt provision
Fraud inquiries			
12. Has Epsom and Ewell Borough assessed the risk of material misstatement in the financial statements due to fraud?	<p>The Council has assessed the risk of material misstatement in the financial statements due to fraud as part of its overall risk management and internal control framework. This includes:</p> <ul style="list-style-type: none"> A risk-based approach to financial reporting, incorporating fraud risk 		Litigation and claims / Planning Inquiries

<p>How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process?</p> <p>How do the Epsom and Ewell Borough's risk management processes link to financial reporting?</p>	<p>considerations within internal audit planning and corporate risk registers.</p> <ul style="list-style-type: none"> • Oversight from the Audit Committee and Senior Leadership Team (SLT), ensuring fraud risks are identified and mitigated. • Specific focus on key risk areas such as revenue recognition, expenditure controls, and journal entries. <p>The Council's risk management processes directly link to financial reporting through periodic financial monitoring, scrutiny by the Audit Committee, and integration of fraud risk assessments into year-end financial statement preparation.</p>		
<p>13. What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?</p>	<p>The Council treats all transactions/accounts /disclosures as similarly at risk of fraud, and as such our internal controls apply to all financial transactions, including council tax and housing benefits.</p>		
<p>14. Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within Epsom and Ewell Borough as a whole, or within specific departments since 1 April 2025? If so, please provide details</p>	<p>The Council's policy to prevent fraud is approved by the Strategic Leadership Team and it is clearly referenced in the annual counter-fraud report taken to Audit & Scrutiny Committee. Internal Audit provide regular reports to Audit & Scrutiny Committee, and any material and actual instances of fraud would be reported to this Committee.</p> <p>Management are not aware of any instances of material fraud by officers. Regarding suspected or alleged fraud, errors or other irregularities, the Council is aware of a few external instances of fraud related to fake parking tickets and housing-related fraud. The Council has also commissioned a neighbouring authority to investigate, predominantly, housing related fraud and this arrangement has been in place since Quarter 1 of the 2023-2024 year.</p>		<p>Litigation and claims</p>

<p>4. As a management team, how do you communicate risk issues (including fraud) to those charged with governance?</p>	<p>Management reports risk issues to those charged with governance in accordance with the Council's Constitution and Risk Management Strategy. Regular risk management reports are reported to Audit & Scrutiny Committee, and Policy Committee-specific risk registers are maintained, which are discussed at quarterly policy chairs meetings.</p> <p>The Annual Governance Statement identifies any significant governance issues, along with mitigations where appropriate.</p>		
<p>5. Have you identified any specific fraud risks? If so, please provide details</p> <p>Do you have any concerns there are areas that are at risk of fraud?</p> <p>Are there particular locations within Epsom and Ewell Borough where fraud is more likely to occur?</p>	<p>The Council registers and assesses fraud risk on Service business plans, alongside other corporate risks. The risk generally align with those typical fraud risks set out in the Fighting Fraud Locally Strategy. There are no risks that the Council is specifically concerned about. Fraud risk exposure meetings have or will be held with all Council teams.</p> <p>While the Council has identified some teams as exposed to higher fraud risk than others, such as revenues, benefits, housing, community services and transport and waste, the respective managers have confirmed that current risk mitigations are sufficient.</p>		
<p>6. What processes do Epsom and Ewell Borough have in place to identify and respond to risks of fraud?</p>	<p>Heads of Service on Strategic and Corporate Leadership Teams submit annual 'Divisional Assurance Statements', which provide assurance that any frauds affecting the financial statements would be reported. Management considers that the financial statements are not materially misstated, either due to fraud or for any other reason, due to this process and other internal controls to minimise the risk of fraud, including:</p> <ul style="list-style-type: none"> - Whistleblowing policy - Segregation of duties - Internal audit to investigate any high-risk fraud areas 		

	<p>- Fraud risks are included on the Council's corporate risk register.</p> <p>- Anti-Fraud and Anti-Corruption Strategy and Response Plan</p> <p>A fuller account of our arrangements can be found in the committee files on the council's website for the Audit and Scrutiny Committee.</p> <p>Mandatory staff online training course which covers fraud prevention and identification.</p>		
<p>7. How do you assess the overall control environment for Epsom and Ewell Borough, including:</p> <ul style="list-style-type: none"> the existence of internal controls, including segregation of duties; and the process for reviewing the effectiveness the system of internal control? <p>If internal controls are not in place or not effective where are the risk areas and what mitigating actions have been taken?</p> <p>What other controls are in place to help prevent, deter or detect fraud?</p> <p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)? If so, please provide details</p>	<p>Heads of Service on Strategic and Corporate Leadership Teams submit annual 'Divisional Assurance Statements', which provides assurance that internal controls are operating effectively.</p> <p>Mitigations include fraud awareness eLearning for staff, fraud communications in Staff Update and membership of the Fighting Fraud and Corruption Locally (FFCL) group.</p> <p>Internal audit regularly test internal controls/procedures and provide assurance reports – including an Annual Internal Audit Report & Opinion - to management and Audit & Scrutiny Committee. Any material findings must have a mitigating management action, which is then followed up by internal audit to ensure implementation.</p> <p>We are not aware of any areas where there is override or inappropriate influence over the financial reporting process.</p>		Entity's process to monitor the system of internal control
<p>8. Are there any areas where there is potential for misreporting? If so, please provide details</p>	<p>The Council has internal controls and procedures in place to ensure the risk of misreporting is low.</p> <p>Internal audit regularly test internal controls/procedures and provide assurance reports to management and Audit & Scrutiny Committee. Any material findings must have a mitigating management action, which is then followed up by internal audit to ensure implementation.</p>		

<p>9. How does Epsom and Ewell Borough communicate and encourage ethical behaviours and business processes of it's staff and contractors?</p> <p>How do you encourage staff to report their concerns about fraud?</p> <p>What concerns are staff expected to report about fraud? Have any significant issues been reported? If so, please provide details</p>	<p>Messages are communicated to staff through: Corporate plans, team meetings, managers' training, feedback at Corporate Management Team, Internal Audit, Staff Update publications, People Framework, Officers Code of Conduct, references made to the Nolan principles. The processes for contractors are set-out in the relevant contract and procurement documents.</p> <p>We encourage reporting in Staff Update messages, the creation of a new fraud reporting email inbox, by reading our fraud policies and completing the e-learning module as part of staff inductions. We also have a Whistleblowing Policy to ensure staff can report fraud without prejudice.</p> <p>Staff are expected to report full details of any known or suspected fraud. No significant issues have been reported in 2025/26 .</p>		
<p>10. From a fraud and corruption perspective, what are considered to be high-risk posts?</p> <p>How are the risks relating to these posts identified, assessed and managed?</p>	<p>Any post involved in financial transactions is considered at risk of fraud or corruption.</p> <p>Risks are managed through having appropriate internal controls, including appropriate authorisation limits for staff and segregation of duties for all financial transactions.</p>		<p>Discussion among the engagement team, including fraud considerations</p>
<p>11. Are you aware of any related party relationships or transactions that could give rise to instances of fraud? If so, please provide details</p> <p>How do you mitigate the risks associated with fraud related to related party relationships and transactions?</p>	<p>The Council is not aware of any significant changes to the prior period in terms of related parties.</p> <ul style="list-style-type: none"> - Strategic and Corporate Leadership Teams are responsible for implementing the Council's policies, and are asked at year-end to declare any related party transactions for the 2025/26 accounts. - Elected Members have direct Control over the Council's strategy and policies. Members are also asked to declare any related party transactions for inclusion in the 2025/26 accounts. <p>The Council has policies in place to ensure related party relationships and transactions must be disclosed. Officers and members are required to</p>		<p>Related parties (risk assessment)</p>

	declare any conflicts of interest prior to taking part in any decision-making process.		
<p>12. What arrangements are in place to report fraud issues and risks to the Audit Committee?</p> <p>How does the Audit Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control?</p> <p>What has been the outcome of these arrangements so far this year?</p>	<p>Our arrangements for fraud reporting are set out in our Anti-fraud and anti-corruption strategy, which now includes a new fraud reporting mailbox for staff. An annual counter-fraud report is taken to Audit & Scrutiny Committee, as well as Internal Audit reports</p> <p>Internal audit recommendations must have a mitigating management action. Internal audit follow-up to ensure all actions are implemented, with any outstanding actions reported to Audit & Scrutiny Committee. A recent internal audit on fraud concluded with a 'reasonable' opinion. To check</p> <p>Management are not aware of any instances of material fraud. Regarding suspected or alleged fraud, errors or other irregularities, the Council is aware of a few instances of fraud related to fake parking tickets (although no loss was suffered by the Council) and one instance of attempted 'phishing' fraud using a fake invoice (which was prevented). The Council has also commissioned a neighbouring authority to investigate, predominantly, housing related fraud. This arrangement began in Quarter 1 2023-2024.</p>		Discussion among the engagement team, including fraud considerations
<p>13. Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?</p>	Management is not aware of any.		Discussion among the engagement team, including fraud considerations
<p>14. Have any reports been made under the Bribery Act? If so, please provide details</p>	Management is not aware of any.		Discussion among the engagement team, including fraud considerations

Laws and regulations			
<p>1. How does management gain assurance that all relevant laws and regulations have been complied with?</p> <p>What arrangements does Epsom and Ewell Borough have in place to prevent and detect non-compliance with laws and regulations?</p> <p>Are you aware of any changes to the Epsom and Ewell Borough's regulatory environment that may have a significant impact on the Epsom and Ewell Borough financial statements?</p>	<p>Heads of Service on Strategic and Corporate Leadership Teams submit annual 'Divisional Assurance Statements', which provide assurance that laws and regulations have been complied with. The Council has policies in place to identify any breaches, including the following:</p> <ul style="list-style-type: none"> - Whistleblowing policy - Internal audit test for compliance with laws and regulations as part of their reviews. <p>Furthermore, all Committee reports must have the legal comments documented within the report. All reports are reviewed by a legal officer or the Monitoring Officer.</p> <p>During 2023/24, the Council undertook a review of its Scheme of delegation to ensure that decision-making procedures remain robust and work to embed these changes was carried out in 2024/25.</p> <p>There are no regulatory changes that are expected to have a material impact on the financial statements.</p>		Laws and regulations
<p>2. How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<p>All Committee reports and decisions must have the legal implications documented within the report; all reports are reviewed by a legal officer or the Monitoring Officer.</p> <p>The Council's Constitution, Annual Governance Statement and Local Code of Governance set-out the Council's robust governance framework, providing further assurance to the Committee.</p> <p>Audit & Scrutiny Committee receives an annual report on fraud and whistleblowing.</p>		Laws and regulations
<p>3. Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2025 with an on-going impact on the 2025/26 financial statements? If so, please provide details</p>	<p>Management is not aware of any.</p>		Laws and regulations

4. Are there any actual or potential litigation or claims that would affect the financial statements? If so, please provide details	<p>The Council is currently subject to prosecution under relevant Health and Safety legislation; following the entering of a not guilty plea. A provision has been set aside for any potential financial impact resulting from this case.</p> <p>Financial impacts are assessed at year-end and included in the financial statements in accordance with proper accounting practice.</p>		Litigation and claims
5. What arrangements does Epsom and Ewell Borough have in place to identify, evaluate and account for litigation or claims?	<p>At year-end, senior officers on Strategic and Corporate Leadership Teams submit annual 'Divisional Assurance Statements', which include details of any new potential litigation or claims and sufficient details to enable the finance team to judge the appropriate accounting treatment.</p> <p>This provides assurance that any new potential litigation or claims would be identified.</p> <p>Legal advice is sought where appropriate, and managers can access training on regulatory areas that are subject to change.</p>		Litigation and claims
6. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance? If so, please provide details	None to date.		
Related parties			
<p>1. Have there been any changes in the related parties including those disclosed in Epsom and Ewell Borough's 2025/26 financial statements?</p> <p>If so please summarise:</p> <ul style="list-style-type: none"> • the nature of the relationship between these related parties and Epsom and Ewell Borough • whether Epsom and Ewell Borough has entered into or plans to enter into any transactions with these related parties • the type and purpose of these transactions 	<p>No significant known changes at the current time. Senior Officers and Members are required to sign updated Related Party Declarations at each year-end – these will be provided to Grant Thornton during the audit.</p>		Related Parties (risk assessment)

2. What controls does Epsom and Ewell Borough have in place to identify, account for and disclose related party transactions and relationships?	The Council has a formal policy on Disclosable Pecuniary Interests Formal declarations for related party transactions are required annually from all senior officers and all Members.		Related Parties (risk assessment)
3. What controls are in place to authorise and approve significant transactions and arrangements with related parties?	Members/Officers with declared related party relationships are not involved in the decision making process for related party transactions.		Related Parties (risk assessment)
4. What controls are in place to authorise and approve significant transactions outside of the normal course of business?	All transactions are processed through the normal business procedures.		Related Parties (risk assessment)
Going concern			
What processes and controls does management have in place to identify events and / or conditions which may indicate that the statutory services being provided by Epsom and Ewell Borough will no longer continue?	Management is represented at Surrey Chief Executives and Surrey Treasurers groups, which would discuss any such matters impacting the County. Management subscribes to sector bulletins, such as LGA Updates, SOLACE and LG Futures, which would raise awareness of any such changes.		Going concern considerations at planning
Are management aware of any factors which may mean for Epsom and Ewell Borough that either statutory services will no longer be provided or that funding for statutory services will be discontinued? If so, what are they?	Surrey is going through a process of Local Government Reorganisation which is expected to result in the creation of new unitary authorities. The statutory services currently provided by Epsom & Ewell Borough Council will be taken on by these new unitary authorities. At present, these authorities are expected to formally take on this role for the 2026/27 financial year, based on the latest estimated timetable.		Going concern considerations at planning
With regard to the statutory services currently provided by Epsom and Ewell Borough, does Epsom and Ewell Borough expect to continue to deliver them for the foreseeable future, or will they be delivered by related public authorities if there are any plans for Epsom and Ewell Borough to cease to exist?	Surrey is going through a process of Local Government Reorganisation which is expected to result in the creation of new unitary authorities. The statutory services currently provided by Epsom & Ewell Borough Council will be taken on by these new unitary authorities. At present, these authorities are expected to formally take on this role		Going concern considerations at planning

	for the 2026/27 financial year, based on the latest estimated timetable.		
Are management satisfied that the financial reporting framework permits Epsom and Ewell Borough to prepare its financial statements on a going concern basis? Are management satisfied that preparing financial statements on a going concern basis will provide a faithful representation of the items in the financial statements?	<p>Yes, management is satisfied that preparing financial statements on a going concern basis will provide a faithful representation of the items in the financial statements, and that the financial reporting framework permits this approach.</p> <p>The Chief Finance Officer provides assurance that the Council is a going concern, through the Medium Term Financial Strategy and Section 25 report to Full Council in February 2026.</p>		Going concern considerations at planning
Accounting estimates			
1. What are the classes of transactions, events and conditions, that are significant to the financial statements that give rise to the need for, or changes in, accounting estimate and related disclosures?	<p>The main accounting estimates in the financial statements are disclosed in Note 4 to the Statement of Accounts. These are:</p> <ul style="list-style-type: none"> - Property Plant & Equipment valuations - Investment Property valuations - Pension Fund valuations <p>Through representation at Corporate Leadership Team and Committee meetings, Finance Team become aware of any significant transactions, events or conditions that would require accounting estimates.</p> <p>Senior officers on Strategic and Corporate Leadership Teams also submit annual 'Divisional Assurance Statements', which provides assurance that all material transactions, events and conditions, that affect the financial statements, have been captured.</p>		Accounting Estimates section
2. How does the Epsom and Ewell Borough's risk management process identify and address risks relating to accounting estimates?	<p>The Council uses independent and suitably qualified external experts where appropriate.</p> <p>The Council's finance team employs suitably CCAB-qualified accountants to follow CIPFA and</p>		Accounting Estimates section

	IFRS accounting standards when making accounting estimates.		
3. How does management identify the methods, assumptions or source data, and the need for changes in them, in relation to key accounting estimates?	Management follows CIPFA's Code of Practice and the accounting standards to make the key accounting estimates.		Accounting Estimates section
4. How do management review the outcomes of previous accounting estimates?	Year-on-year changes in accounting estimates are reconciled within the Notes to the Statement of Accounts.		Accounting Estimates section
5. Were any changes made to the estimation processes in 2025/26 and, if so, what was the reason for these?	No changes have been made for 2025/26 – the Council has been consistent in the methodology used for accounting estimates.		Accounting Estimates section
6. How does management identify the need for and apply specialised skills or knowledge related to accounting estimates?	<p>Management follows standard sector practice by using RICS specialists for the valuation of its Property Plant and Equipment, and qualified actuaries for the estimation of the pension fund position.</p> <p>When specific technical accounting advice is required, the Council utilises Icabods Industries for external accounting advice and LG Futures and Pixel Financial Management for business rates advice.</p>		Accounting Estimates section
7. How does the Epsom and Ewell Borough determine what control activities are needed for significant accounting estimates, including the controls at any service providers or management experts?	<p>The Council provides its RICS property valuers with an engagement letter, setting out the activities that are required. The external estimates/valuations are then reviewed by qualified Council officers, with any unusual or unexpected movements/valuations queried and explanations sought.</p> <p>As a member of the Surrey Pension Fund, Surrey County Council engages the actuary Hymans Robertson LLP to calculate the pension fund position on our behalf.</p> <p>Council officers then review the IAS Results Report for reasonableness of assumptions. Any unusual or</p>		Accounting Estimates section

	unexpected movements/valuations are queried and explanations sought.		
8. How does management monitor the operation of control activities related to accounting estimates, including the key controls at any service providers or management experts?	<p>As above, the Council provides it RICS property valuers with an engagement letter, which sets out the activities that are required. The external estimates/valuations are then reviewed by qualified Council officers, with any unusual or unexpected movements or valuations queried and explanations sought.</p> <p>As a member of the Surrey Pension Fund, Surrey County Council engages the actuary Hymans Robertson LLP to calculate the pension fund position on our behalf.</p> <p>Council officers then review the IAS Results Report for reasonableness of assumptions. Any unusual or unexpected movements/valuations are queried and explanations sought.</p>		Accounting Estimates section
9. What is the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates, including: <ul style="list-style-type: none"> • Management's process for making significant accounting estimates • The methods and models used <p>The resultant accounting estimates included in the financial statements.</p>	<p>Both the Section 151 Officer and Deputy S151 Officer review the estimates used in the Statement of Accounts. Following review, the S151 Officer certifies the SoA as free from material error and presenting a true and fair view.</p> <p>The SoA is also reviewed and approved by elected members of Audit and Scrutiny Committee, before the audit is signed off.</p> <p>See Appendix A for the methods and models used.</p>		Accounting Estimates section
10. Are management aware of any transactions, events, conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement (other than those in Appendix A)? If so, what are they?	<p>The main accounting estimates in the financial statements are those disclosed in Appendix A and in Note 4 to the Statement of Accounts. These are:</p> <ul style="list-style-type: none"> - Property Plant & Equipment accounting - Investment Property Accounting - Pension Fund Accounting 		Accounting Estimates section
11. Why are management satisfied that their arrangements for the accounting estimates, as detailed in Appendix A, are reasonable?	Management is satisfied that arrangements for the accounting estimates are reasonable, as the estimates are compliant with accounting standards and CIPFA's Code of Practice and have been		Accounting Estimates section

	<p>reviewed by the Council's finance team of suitably CCAB-qualified accountants. Where applicable, estimates are obtained from qualified, external (and therefore independent) actuaries and property valuers, providing further assurance that the estimates are reasonable.</p>		
<p>12. How is the Audit Committee provided with assurance that the arrangements for accounting estimates are adequate ?</p>	<p>The Council's accounts are produced by appropriately qualified accountants and then certified by the CCAB-qualified S151 Officer.</p> <p>Members can challenge officers on any aspect of the Statement of Accounts at the Audit and Scrutiny Committee meeting.</p> <p>Internal audit periodically review general and capital accounting arrangements, which provides further assurance.</p> <p>External audit review also provides assurance.</p>		<p>Accounting Estimates section</p>

Appendix A – Accounting Estimates

Possible examples include: land and buildings valuations, council dwelling valuations, investment property valuations, valuation of defined benefit net pension fund liability/asset, fair value estimates, level 2 and 3 investments, PFI liabilities, provisions, accruals, credit loss and impairment allowances, leases.

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Land & Building Valuation and Investment properties	As set-out in the accounting policies in the Statement of Accounts - fair value for investment properties, current value or depreciated replacement cost for operational land and properties.	Qualified experts are used to undertake the estimates. Segregation of duties requires two officers to post valuation movements in the general ledger.	Yes – management have used RICS qualified firm Wilks, Head and Eve.	Note 4 of the Statement of Accounts discloses the degree of uncertainty and a high-level sensitivity analysis.	No
Depreciation	As set-out in our accounting policies - typically 50 years for buildings on a straight-line basis.	Qualified experts are used to assess the expected asset life, which is used as the basis for the depreciation estimate. Segregation of duties requires two officers to post depreciation movements in the general ledger.	Wilks, Head and Eve provide the valuations. In addition, officers in the finance team are qualified accountants i.e. experts. We use internal software called Real Asset Management to assist with depreciation estimates.	Note 4 of the Statement of Accounts discloses the degree of uncertainty and a high-level sensitivity analysis.	No
Significant Accruals	The accruals accounting principle is applied. Civica Purchasing is used to identify system accruals, with a supporting manual process for sundry accruals.	Internal guidance and segregation of duties requires two officers to post accruals in the general ledger.	Officers in the finance team are qualified accountants i.e. experts.	Expenditure and income is recognised in the year to which it relates. There is little uncertainty, and no acceptable alternative to accruals accounting.	No

Valuation of Pension Liability	The valuation is undertaken in accordance with the principles of the relevant accounting standards - FRS102 and IAS19.	Qualified independent experts are used to undertake the estimates.	Expert firm Hymans Robertson LLP are engaged to undertake the estimates.	Notes 4 and 32 of the Statement of Accounts disclose the degree of uncertainty and a high-level sensitivity analysis.	No
Fair Value of Loans	Fair valuations are undertaken in accordance with IFRS16 by independent experts.	Independent industry experts are used to undertake the estimates.	Expert firm Link Asser Services are engaged to undertake the estimates.	Note 18 of the Statement of Accounts discloses the degree of uncertainty and input assumptions used in the valuation.	No
NNDR Appeals provision	NNDR Appeals provision	In accordance with CIPFA's Code of Practice, provisions are calculated based on an estimate of the probable liability.	Management use information provided by the Valuation Office Agency to identify outstanding appeals submitted by businesses.	Management use information provided by the Valuation Office Agency.	Management use past appeal success rates to assist in projecting future appeal success rates. In addition, advice is sought from business rate specialists LG Futures and Pixel Financial Management.
Credit Loss Allowance	Credit loss allowance	Debtors are assessed annually and for doubtful debts, an allowance is made for expected future credit losses, which factors in the age and recoverability of the debt.	Outstanding debtor balances are monitored through the debtors control account.	Officers in the finance team are qualified accountants i.e. experts.	The estimate is based on expected future credit losses on outstanding debts. A sensitivity analysis is included within Note 4 of the Statement of Accounts.
Leases (Right of Use Assets and liabilities)	The value of the asset is obtained from a third party and spread equally across the useable life of the asset using the discount rate implicit in the lease.	A third party with experience in the field has been used.	Assets values have been obtained from a third party with experience in the field.	Most leases are coming to the end of their usable lives, therefore values are comparably reduced, thus reducing the degree of uncertainty in the estimate.	No.

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COMMITTEE ANNUAL REPORT 2025-2026

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author:	Will Mace, Corporate Governance & Strategy Manager
Wards affected:	(All Wards)
Appendices (attached):	Appendix 1 – Committee Annual Report 2025-2026

Summary

This report presents the Annual Report of the Audit and Scrutiny Committee 2025-2026 in accordance with the requirement of Paragraph 7.2 of Annex 4.6 of the Council's Operating Framework. It covers the work of the Committee between March 2025 and February 2026, and following agreement by the Committee, will be submitted to the next available agenda for Full Council.

Recommendation (s)

The Committee is asked to:

- (1) **Note the Annual Report of the Audit and Scrutiny Committee 2025-2026 (Appendix 1) and recommend submission to Full Council.**
- (2) **Confirm the effectiveness of Internal Audit as per Section 2.7 of Appendix 1.**

1 Reason for Recommendation

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

2 Background

- 2.1 Attached at Appendix 1 is the draft Annual Report 2025-2026, which looks back on the work of the Committee between March 2025 and February 2026. This meeting (19 March 2026) will be included in the next year's Annual Report 2026-2027.
- 2.2 The Annual Report 2025-2026, Appendix 1, will be presented to the next meeting of Full Council.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 No direct impacts from this report.

3.2 Crime & Disorder

3.2.1 No direct impacts from this report.

3.3 Safeguarding

3.3.1 No direct impacts from this report.

3.4 Dependencies

3.4.1 None.

3.5 Other

3.5.1 If committee members have a detailed question(s) on particular elements of this report (including its appendices), it is requested that these be submitted in advance of the meeting where possible, to enable officers time to prepare complete answers.

4 Financial Implications

- 4.1 There are no financial implications in this report.
- 4.2 **Section 151 Officer's comments:** We welcome the Annual Report of the Audit and Scrutiny Committee for 2025/2026. The Committee continues to play a vital role in providing independent oversight, assurance, and constructive challenge across the Council's governance, risk management and internal control environment.

5 Legal Implications

- 5.1 There are no legal implications arising from this report.
- 5.2 **Legal Officer's comments:** None arising from the contents of this report.

6 Policies, Plans & Partnerships

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

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

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

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

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

6.5 **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:

Annual Report of the Audit & Scrutiny Committee 2024-2025, 22 July 2025, Council. Online available <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=146&MId=1789> [last accessed 13/02/2026].

Other papers:

- As referenced in Appendix 1, inc:

The Financial Strategy Advisory Group- Annual Treasury Management Report, Audit and Scrutiny Committee, 27 March 2025. Online available: [Epsom and Ewell Democracy](https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=146&MId=1789) [last accessed 13/02/2026]

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Annual Report of the Audit and Scrutiny Committee 2025-2026

1. Introduction

- 1.1. This Annual Report provides Council with an overview of the work of the Audit and Scrutiny Committee undertaken between March 2025 and February 2026. This meeting (19 March 2026) will be included in the next year's Annual Report 2026-2027.
- 1.2. The Committee met five times on 27 March 2025, 17 July 2025, 30 September 2025, 30 November 2025 and 5 February 2026. The membership has changed after the March 2025 meeting and the members' attendance are shown below.

Membership	27 March 2025 Meeting - Actual Attendance	
Councillor Steven McCormick (Chair)	1	
Councillor Phil Neale (Vice Chair)	1	
Councillor Chris Ames	1	
Councillor Graham Jones	1	
Councillor James Lawrence	1	
Councillor Jan Mason	1	
Councillor Alan Williamson	1	
Councillor Robert Leach	1	Present as substitute
Membership	4 meetings (17 July, 30 Sept, 30 Nov 2025 and 5 Feb 2026)	
	- Actual Attendance	- Substituted by
Councillor Steven McCormick (Chair)	4	
Councillor Phil Neale (Vice Chair)	4	
Councillor Chris Ames	3	
Councillor Steve Bridger	4	
Councillor Tony Froud	3	Cllr Christine Howells (30/11/2025)
Councillor Alison Kelly	3	Cllr James Lawrence (30/11/2025)
Councillor Jan Mason	1	
Councillor Chris Watson	4	
Councillor James Lawrence	Cllr in Attendance (17/7/2025, 30/9/2025, 5/2/2026)	

*This meeting (26 March 2026) has not been held yet at the time of writing this report and hence its attendance has not been recorded in the above table.

- 1.3. The Committee reviews and agrees its Work Programme at each of its meetings. The Work Programme is designed to ensure that the Committee meets its responsibilities in accordance with its terms of reference, and provides the council with added value and assurance.

2. Monitoring and Improving the Council's Governance

- 2.1. The Committee's Work Programme has focused on maintaining an oversight of the Council's framework of governance, performance, risk management, and internal control environment.
- 2.2. Governance can be defined as "comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved."¹ Governance includes processes, procedures, policies, administrative systems, legal arrangements and so forth, "through which [an organisation's] objectives are set and pursued in" their environmental context, while "ensuring that stakeholders can have confidence that their trust in that [organisation] is well founded."²
- 2.3. To ensure good governance, the Committee has considered eleven reports from the Council's Internal Auditors, the Southern Internal Audit Partnership (SIAP) between March 2025 and February 2026. Nine of these reports cover audit planning for 2025-2026, internal audit's findings with respect to individual business units' governance arrangements, and an overall opinion on status of the Council's governance.
- 2.4. The remaining two reports relate to the requirements of the Global Internal Audit Standards in the UK Public Sector, which have been in force since 1 April 2025. SIAP developed an internal audit strategy for 2025-2028 and it also provided an overview of the commissioning options of an external assessor to undertake an independent assessment of SIAP against the Global Internal Audit Standards.
- 2.5. The Head of SIAP provided their annual opinion to Committee on 17 July 2025, concluding that for the year 2024-2025, the overall adequacy and effectiveness of the Council's framework of governance, risk management and control was "reasonable". The outcomes of 13 audits included in the annual opinion are as follows:³

¹ CIPFA (2014) *International Framework: Good Governance in the Public Sector*. London: Chartered Institute of Public Finance and Accountancy, p. 8.

² The Chartered Governance Institute UK & Ireland (no date) *What is corporate governance?* Online available: <https://www.cgi.org.uk/about-us/policy/what-is-corporate-governance> [Last accessed 13/02/2026].

³ See SIAP (2025) *Annual Internal Audit Conclusion 2024-25*, Southern Internal Audit Partnership. Online available: [Epsom and Ewell Democracy](#) [Last accessed 13/02/2026].

Number and (percentage) of completed audits	Assurance Opinion - category
1 (8%)	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.
7 (54%)	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.
4 (30%)	Limited – Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
1 (8%)	No Assurance – Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

- 2.6. 62% of the audits received a “reasonable” or “substantial” opinion. Where weaknesses and risks have been identified through internal audit review, SIAP “agreed appropriate corrective actions and a timescale for improvement with the responsible managers.”⁴ The “No Assurance” report concerned environmental health food hygiene: the management actions which were set to address the observations raised in the report have been mostly completed except one which is about the recruitment of an additional qualified Environmental Health Officer or food safety officer. No suitably qualified candidates have applied for the vacancy which is associated with national shortage of Environmental Health Practitioners and the Local Government Reorganisation headwinds. The position has been covered by agency staff.
- 2.7. As part of the Internal Audit Code of Practice for UK local government, the Audit and Scrutiny Committee must satisfy itself on the effectiveness of internal audit. They should take into account conformance with the standards, interactions with the committee, performance and feedback from senior management. Their conclusions should be reported in the Committee’s annual report. Therefore, Committee Members are asked to consider this requirement when reviewing this section of the report and to provide feedback during, or ahead of, the committee meeting. If no specific feedback is raised, it will be presumed that the Committee is satisfied with the effectiveness of Internal Audit.

⁴ Ibid, footnote 3.

- 2.8. The internal audit annual opinion also underpins the Council's Annual Governance Statement (AGS). The [2024-2025 AGS](#) was approved by the Committee on 17 July 2025. The statement presented the Council's opinion on its governance arrangements and their effectiveness, as well as reporting on how governance improvements identified in the previous statement had been addressed, and the actions which will be pursued in the following year. The AGS is also reviewed by external audit and included alongside their annual audit of the Council's finances. Progress on the AGS action plan is captured in the Corporate Performance and Risk reports brought to the Committee.
- 2.9. In addition to the above, the Committee considered:
- 2.9.1. The annual report on the Council's counter-fraud and whistleblowing arrangements.
 - 2.9.2. The annual review of the council's local [Code of Corporate Governance](#).
- 2.10. The Director of Corporate Services / S151 Officer has presented forecasts for the revenue and capital outturn for the financial year. The Committee received reports on Quarter 1 in September 2025, Quarter 2 in November 2025, and Quarter 3 in February 2026.
- 2.11. Revenue monitoring identifies favourable and unfavourable variances and any mitigating actions. Capital monitoring reports focus on the core capital programme, property acquisition fund, S106 developers' contributions and Community Infrastructure Levy.
- 2.12. The Committee has also received two external audit updates of 2024/25 in July 2025 and February 2026 as well as two management responses to the external auditors' report of 2023/24.
- 2.13. As agreed by the Full Council in July 2023, Financial Strategy Advisory Group (FSAG) has been conducting treasury management monitoring on behalf of Audit and Scrutiny Committee since then. The monitoring reports and minutes are available for members to view within the FSAG's [committee papers](#). In March 2025, the Committee received an annual report by FSAG with respect to the Council's Treasury Management activity of the preceding 12 months.

3. Scrutiny

- 3.1. Epsom and Ewell Borough Council operates a committee system form of governance. Therefore the council is not required by law to have an overview and scrutiny committee, which was introduced under the Local Government Act

2000 as “a counterweight to the ... executive structures created by that Act”.⁵ The [Localism Act 2011](#) (s. 9JA) enables a committee system authority to choose to have a scrutiny overview and committee if it wishes to. The Council resolved that the Audit & Scrutiny Committee perform this function.

- 3.2. Scrutiny is a process that centres around “provid[ing] constructive ‘critical friend’ challenge”,⁶ and it can involve “monitoring performance [and best value], reviewing and evaluating services, questioning decision[s] and plans made by the [Council], listening to the concerns of local people, and where appropriate making recommendations for action and change.”⁷ Central to the legislation is the power scrutiny has to “scrutinise decisions the [Council] is planning to take, those it plans to implement, and those that have already been taken/implemented.”⁸
- 3.3. In the year 2025-2026 the Committee has maintained its “watching brief” and horizon scanning of potential scrutiny activity by reviewing:
- Four corporate performance and risk reports, two of which provided updates on the council’s progress against its strategic objectives for 2024-2025, key performance indicators, the Corporate Risk Register, the policy committees’ risk registers, and the Annual Governance Statement action plan. The remaining two reports provided the first two quarters of the 2025/26 progress updates.
 - A progress update of the ICT Strategy after the cancellation of the Town Hall move and the Government’s announcement regarding Local Government Reorganisation. A further report on the progress of ICT Internal Audit Management Actions was also considered by the Committee.
 - The annual report on the Council’s progress against its Diversity, Equity and Inclusion Framework.
 - The annual report detailing Stage 1 and Stage 2 complaints received by the Council from 1 April 2024 to 31 December 2024. In July 2025, the Committee also received an annual report from the Local Government and Social Care

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

⁶ Ministry of Housing, Communities & Local Government (2024) *Overview and scrutiny: statutory guidance for councils, combined authorities and combined county authorities*, para. 4. Online available: [Overview and scrutiny: statutory guidance for councils, combined authorities and combined county authorities - GOV.UK](#) [last accessed 11/02/2024].

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

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

Ombudsman (LGSCO) on complaint decisions in 2024/25, where the Council was found at fault.

- The annual report on the work undertaken by the Epsom and Ewell Community Safety Partnership.
- The annual report on the Use of Delegated Powers at its July 2025 meeting. This report sets out the significant decisions taken by officers under delegated powers between 3 June 2024 and 3 June 2025.
- At the February 2026 meeting, the Committee considered the Call-in of a decision made by the Community and Wellbeing Committee, under Agenda Item No 4 “Options for the Future of the Museum” (13th January 2026 meeting). The Committee resolved that the decision be referred to the relevant policy committee with a view to its being withdrawn / rescinded. At the time of this reports writing, this is the latest update.
- During the year, the Committee has considered the aims, process, and resource implications for potential scrutiny exercises, in light of the potential value added and resource implications for their Work Programme. In this period the Committee agreed to add two items to its Work Programme: External Audit Transparency Report and scrutiny of Urgent Decision 158.

4. Conclusion

- 4.1. The Audit and Scrutiny Committee has carried out its Work Programme and wishes to record its thanks to all those who contributed to its work.

INTERNAL AUDIT CHARTER AND ANNUAL AUDIT PLAN 2026-27

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Iona Bond, Deputy Head of Southern Internal Audit Partnership
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 - Internal Audit Charter 2026-27 Appendix 2 – Internal Audit Plan 2026-27

Summary

As required by the Global Internal Audit Standards in UK Public Sector this report presents the Internal Audit Charter and the Internal Audit Plan 2026-27. The Internal Audit Charter (Appendix 1) is a formal document that includes the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications. The Internal Audit Plan (Appendix 2) is a document, developed by the Chief Internal Auditor, that identifies the engagements and other internal audit services anticipated to be provided during a given period.

Recommendation (s)

The Committee is asked to:

- (1) To provide input to and approve the Internal Audit Charter 2026-27 as set out in Appendix 1.**
- (2) To provide input to and approve the Internal Audit Plan 2026-27 as set out in Appendix 2.**

1 Reason for Recommendation

- 1.1 In accordance with the Global Internal Audit Standards in the UK Public Sector the Chief Internal Auditor is required to present to the Audit & Scrutiny Committee for approval the Internal Audit Charter and Internal Audit Plan.

2 Background

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

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

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

Internal Audit Charter 2026-27

- 2.7 The Internal Audit Charter is reported to the Audit & Scrutiny Committee annually for review and approval. There have been no amendments to last year's Internal Audit Charter. A copy is attached as Appendix 1.

Internal Audit Plan 2026-27

- 2.8 The proposed risk based internal audit plan for 2026-27 is attached at Appendix 2 and has been developed at a strategic level providing a value adding, and proportionate level of assurance aligned to the Council's key priorities. It is based on a range of inputs including review of the Council's strategic risk register, sector knowledge and discussions with management teams.
- 2.9 This is a unique year for the Council taking them through to vesting day (1 April 2027). We have worked with management to ensure the audit plan is positioned to add optimum value to the organisation during what will be a challenging period of significant change and uncertainty.
- 2.10 The audit plan will remain fluid to ensure internal audit's ability to react to the changing needs of the Council. Any additions to the plan must be able to clearly demonstrate a contribution to the audit conclusion on risk management, control and governance.
- 2.11 Any changes to the plan (including advisory assignments) will be transparently reported to the Strategic Leadership Team and the Audit & Scrutiny Committee during the course of the year for approval as part of our regular progress reports.
- 2.12 The Internal Audit Charter ensures the Chief Internal Auditor has sufficient resource necessary to fulfil the requirements and expectations to deliver an internal audit conclusion.
- 2.13 The internal audit plan is tailored to support the organisation through to vesting day, however, it is recognised that a significant level of organisational capacity / resource will be necessarily focused on LGR readiness in addition to delivering business-as-usual operations potentially impacting capacity to support internal audit delivery.
- 2.14 Should we feel the delivery of the plan is compromised in any way we will report this to Senior Management and the Audit & Scrutiny Committee through our regular progress report(s).
- 2.15 The endorsement and sponsorship of the plan(s) at member / Strategic Leadership Team level will assist in providing the engagement and buy-in of staff at an operational level to ensure the outcome of audit reviews are optimised.

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.

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:

- None

Other papers:

- None.

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**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

**EPSOM AND EWELL BOROUGH
COUNCIL**

Internal Audit Charter
2026/27

Prepared By: Iona Bond, Deputy Head of Southern Internal Audit Partnership

February 2026

1. Introduction

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

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

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

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

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



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

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

2. Definitions

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

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

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

3. Internal Audit Mandate

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

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

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

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

as are considered necessary by those conducting the internal audit.

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

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

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

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

4. Authority, Roles and Responsibilities

Authority

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

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

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

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

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

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

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

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

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

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

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

Role

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

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

Purpose

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

Internal audit enhances the Council's:

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

Internal audit is most effective when:

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

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

Responsibility

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

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

The Chief Internal Auditor

Has the responsibility to:

- At least annually, develop a risk-based internal audit plan engaging with the Audit and Scrutiny Committee and Strategic Leadership Team. Discuss the plan with the Audit and Scrutiny Committee and Strategic Leadership Team and submit the plan to the Audit and Scrutiny Committee for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Audit and Scrutiny Committee and Strategic Leadership Team.
- Review and adjust the internal audit plan, as necessary, in response to changes in the Council's business, risks, operations, programs, systems, and controls.

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

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

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

inherent in the achievement of objectives and the level of confidence required that controls are well designed and operating as intended.

Fraud and Irregularity

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

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

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

Where there is evidence that Council staff are committing fraud, internal audit will liaise with the Governance, People and Performance Department and the Department concerned.

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

5. Internal Audit Resources

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

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

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

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

Financial Resource

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

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

Human Resource

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

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

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

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

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

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

Technological Resource

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

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

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

6. Ethics and Professionalism

The Chief Internal Auditor will ensure that internal auditors:

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

7. Independence and objectivity

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

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

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

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

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

Internal auditors will:

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

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

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

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

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

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

- operates in a framework that allows unrestricted access to Strategic Leadership Team and the Audit and Scrutiny Committee.
- reports functionally to Audit and Scrutiny Committee.

- reports in their own name.
- rotates responsibilities for audit assignments within the internal audit team.
- completes individual declarations confirming compliance with rules on independence, objectivity, conflicts of interest and acceptance of inducements, and
- ensures the planning process recognises, records and addresses potential conflicts of interest.

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

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

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

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

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

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

8. Due Professional Care

Internal auditors will perform work with due professional care, competence and diligence. Internal auditors cannot be expected to identify every control

weakness or irregularity, but their work should be designed to enable them to provide reasonable assurance regarding the controls examined within the scope of their review.

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

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

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

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

9. Communication, Reporting and Oversight

Internal Audit Strategy

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

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

Internal Audit Charter

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

Audit Plan

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

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

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

Audit Assignments

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

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

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

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

Progress Reports

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

- revisions to the plan.

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

Annual Conclusion

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

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

The annual conclusion will incorporate as a minimum:

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

Quality assurance and Improvement Programme

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

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

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

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

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

In both cases communications will include:

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

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

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

Strategic Leadership Team

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

- input, review, and note the internal audit mandate and charter (minimum annually).
- input, review, and note the internal audit strategy.
- input, and note the risk based internal audit plan (making appropriate enquiries of the Chief Internal Auditor to determine inappropriate scope and resource limitations).

- receiving regular progress reports from the Chief Internal Auditor on the outcomes and internal audits performance relative to its plan.
- review and note the Chief Internal Auditors annual conclusion.
- review of the quality assurance and improvement programme, engaging with, and receiving the results of internal and external assessments, including areas of non-conformance.

The Audit and Scrutiny Committee

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

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

10. Review of the internal audit mandate and charter

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

Annex 1

Assurance Services

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

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

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

- **Fraud and irregularity investigations:** Internal audit may provide specialist skills and knowledge to assist in or lead fraud or irregularity investigations, or to ascertain the effectiveness of fraud prevention controls and detection processes. Internal audit's role in this respect is outlined in the County Council's Anti-Fraud and Anti-Corruption Strategy.

- **Value For Money:** is implicit in the vast majority of our internal audit work, however, value for money work can also be conducted through review of the optimal use of resources to achieve an intended outcome, and can be summarised as:
 - **Economy** – minimising the cost of resources used or required (inputs) – spending less
 - **Efficiency** – the relationship between the output from goods or services and the resources to produce them – spending well
 - **Effectiveness** – the relationship between the intended and actual results of public spending (outcomes) – spending wisely

- **Third party assurance:** the availability of objective assurance from other assurance providers will be considered in determining audit needs. Where internal audit needs to work with the internal auditors of other organisations, a practice which is expanding with the development of more organisational strategic partnerships, the roles and responsibilities of each party, as well as billing arrangements, will be clearly defined, agreed and documented prior to the commencement of work. Internal audit will also ensure awareness of and seek to place reliance on the work of other independent review bodies.

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Southern Internal Audit Partnership

Assurance through excellence
and innovation

Epsom and Ewell Borough Council Internal Audit Plan 2026-27

Prepared by: Iona Bond, Deputy Head of Southern Internal Audit Partnership

February 2026

**Agenda Item 10
Appendix 2**

Introduction

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

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

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

The role of internal audit is that of an:

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

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

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

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

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

Conformance with internal auditing standards

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

Standard 8.4 [External Quality Assessment] requires internal audit providers to undergo an external quality assessment every five years. In September 2025 JC Training Ltd were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the Global Internal Audit Standards in the UK Public Sector.

In considering all sources of evidence the external assessor concluded:

‘SIAP has achieved an excellent result of ‘generally achieves’ in this EQA in relation to the GIAS and Application Note. The IIA use the term ‘general achievement’ or ‘general conformance’ to indicate that “internal audit activities were performed in general conformance with the Global Standards.”

I will include a summary of SIAP’s conformance to the GIAS, below. Overall, I believe that the team has achieved an excellent performance given its size, together with the breadth and depth of the benchmark established by the new GIAS.

I am delighted to confirm that SIAP fully achieves 46 of the 52 Standards and generally achieves the remaining six Standards. There are no partial conformances, or areas where the team do not conform with any Standards.

I have undertaken ten reviews of diverse internal audit functions using the (new) GIAS to date and **this result puts SIAP firmly within the top quartile and represents the highest level of achievement and conformance with the new GIAS that I have seen to date.**

Summary of IIA Conformance	Standards	Does not Conform	Partially Conforms/ Achieves	Generally Conforms/ Achieves	Fully Conforms/ Achieves	Total
Purpose of Internal Auditing	N/A					N/A
Ethics and Professionalism	13				13	13
Governing the Internal Audit Function	9			3	6	9
Managing the Internal Audit Function	16			1	15	16
Performing Internal Audit Services	14			2	12	14
	52	0	0	6	46	52

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Agenda Item 10
Appendix 2

Developing the internal audit plan 2026-27

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

This is a unique year for the Council taking them through to vesting day (1 April 2027). We have worked with management to ensure the audit plan is positioned to add optimum value to the organisation during what will be a challenging period of significant change and uncertainty.

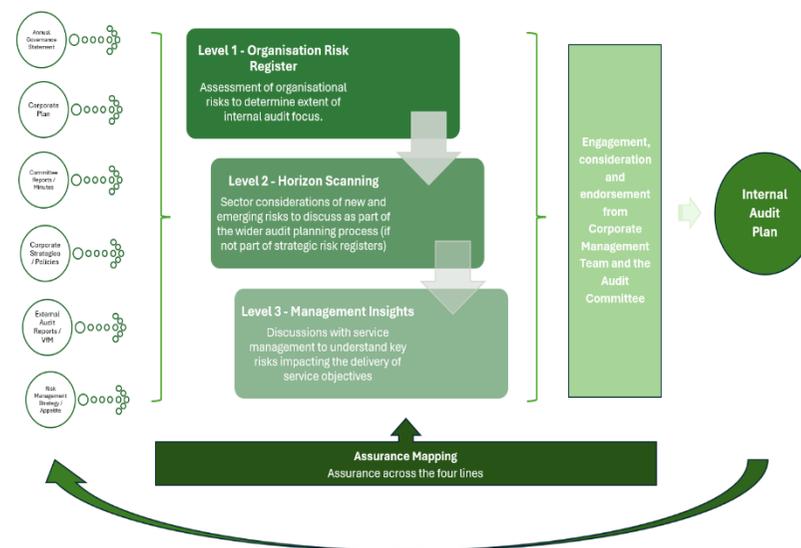
Whilst planning has maintained its usual robust approach, we have incorporated a contingency to provide reactive assurance and advisory resource to the organisation during 2026-27.

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

The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant audit sponsors, the Senior Leadership Team, and the Audit and Scrutiny Committee, to ensure internal audit are able to react to new and emerging risks and the changing needs of the Council.

Amendments to the plan and use of contingency will be identified through the Chief Internal Auditor’s continued contact and liaison with those responsible for the governance of the Council and reported to the Senior Leadership Team, and Audit and Scrutiny Committee through regular progress reports.

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



Internal audit resources

On development of the 2026-27 internal audit plan as Chief Internal Auditor, I am of the opinion that there is a sufficient level of resource available, supported by an appropriate range of knowledge, skills, qualifications and experience to deliver the internal audit plan in the fulfilment of the audit mandate and delivery of the internal audit strategy.

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

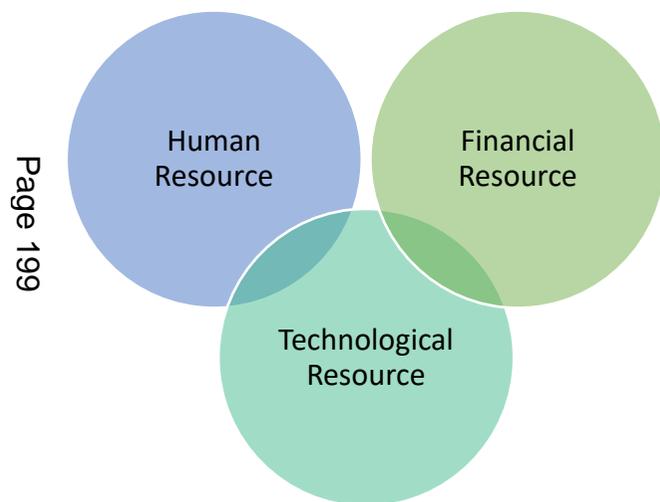
Human Resource - the internal audit service has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and operational risk-based audit plan.

If the Chief Internal Auditor, Senior Leadership Team or the Audit and Scrutiny Committee consider that the scope or coverage of internal audit is limited in any way, or the ability of internal audit to deliver a service consistent with the Global Internal Audit Standards in the UK Public Sector is prejudiced, they will advise the Director of Corporate Services (Section 151 Officer), accordingly.

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

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

The internal audit plan is tailored to support the organisation through to vesting day, however, it is recognised that a significant level of organisational capacity / resource will be necessarily focused on LGR readiness in addition to delivering business-as-usual operations potentially impacting capacity to support internal audit delivery. Should we feel the delivery of the plan is compromised in any way we will report this to Senior Management and the Audit and Scrutiny Committee through our regular progress report(s).



Resourcing the internal audit plan

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

Activity		Days
Risk-Based Audit /Advisory	- Delivery of risk-based internal audit assignments designed to fulfil the audit mandate, delivery of the internal audit strategy and in support of the Council in the achievement of corporate objectives.	154
Contingency	- Reactive and advisory work as may be required during the year	25
Audit Management	- Time allocated for the liaison and reporting to Senior Leadership Team and the Audit and Scrutiny Committee, ongoing monitoring and update of the audit plan, implementation of management actions and ongoing quality review.	20
Total Audit Days	- Total resource allocation for the delivery of the internal audit plan	199

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

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

Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Iona Bond, Deputy Head of Southern Internal Audit Partnership (Chief Internal Auditor), supported by Punita Talwar, Audit Manager.

Independence

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

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

Internal Audit Plan 2026-27

Audit Assignment	SLT Sponsor	Scope	Risk Register Reference	Assurance / Advisory	Internal Audit Risk Assessment	Quarter
Conservators Account	DofCS	Review and completion of the annual governance and accountability return.	-	n/a	n/a	Q1
Payroll – Pensions Notifications	HofP&OD	Assurance over the processes and controls in controls for opt-in/opt-out notifications.	-	Assurance	High	Q1
Contract Management	ADCS	Assurance over the framework of control in place for contract management.	-	Assurance	High	Q1
Accounts Receivable and Debt Management	DofCS	Cyclical review of key financial system.	-	Assurance	High	Q1
Housing Benefits	DofCS	Cyclical review of key financial system.	F26	Assurance	High	Q2
HR – Recruitment/Capacity	HofP&OD	Assurance over the framework of control for recruitment and management of capacity.	-	Assurance	High	Q2
Council Tax & NNDR – Dormant Accounts Credit Balances	DofCS	Review of the processes and controls in place for the administration of refunds processed against dormant accounts.	-	Assurance	High	Q2

IT – Firewall Management and Monitoring	HofICT	Assurance over the secure management and monitoring of the new firewall implementation.	IT6	Assurance	High	Q3
Follow Up – IT – Systems to be confirmed	HofICT	As there are a number of previous IT audits with outstanding management actions, the priority of those audits to be followed up will be determined at the time of scoping.	IT6	Follow Up	Medium	Q3
Follow Up – Main Accounting	DofCS	To follow up on the key observations raised in the 2024-25 “limited assurance” review to ensure actions have been fully implemented.	-	Follow Up	Medium	Q3
Follow Up - Playgrounds	HofOS	To follow up on the key observations raised in the 2024-25 “limited assurance” review to ensure actions have been fully implemented.	PCR13	Follow Up	Medium	Q3
Follow Up – Use of Volunteers	HofP&OD	To follow up on the key observations raised in the 2024-25 “limited assurance” review to ensure actions have been fully implemented.	-	Follow Up	Medium	Q3
LGR - Contingency	CEX	Provision for reactive/advisory work as may be required through the LGR process.	E03	-	-	Q1-4

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Audit Sponsor			
CEX	Chief Executive	HofOS	Head of Operational Services
DofCS	Director of Corporate Services (S151)	HofICT	Head of ICT
HofP&OD	Head of People and Organisational Development	ADCS	Assistant Director, Corporate Services

Appendix 2
Agenda Item 10

INTERNAL AUDIT - EXTERNAL QUALITY ASSESSMENT OUTCOME

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Iona Bond, Deputy Head of Southern Internal Audit Partnership
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 – External Quality Assessment Final Report Appendix 2 – External Quality Assessment Action Plan

Summary

The purpose of this paper is to provide the Audit and Scrutiny Committee with the outcome from the External Quality Assessment of the Southern Internal Audit Partnership against the new Global Internal Audit Standards in the UK Public Sector.

Recommendation (s)

The Committee is asked to:

- (1) Note the report of the External Assessor following the External Quality Assessment of the Southern Internal Audit Partnership against the Global Internal Audit Standards in the UK Public Sector (Appendix 1), and the action plan developed against suggested opportunities for future development (Appendix 2).**

1 Reason for Recommendation

- 1.1 In accordance with the Global Internal Audit Standards in the UK Public Sector an external quality assessment is required every five years.

2 Background

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

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

- 2.2 From 1 April 2025, the 'standards or guidance' in relation to internal audit are those laid down in the Global Internal Audit Standards (GIAS), Application Note: Global Internal Audit Standards in the UK Public Sector (Application Note) and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements are referred to as the Global Internal Audit Standards in the UK Public Sector (the Standards).
- 2.3 The Standards (8.4) require that *'the Chief Internal Auditor must develop a plan for an external quality assessment and discuss the plan with the Audit and Scrutiny Committee. The external audit assessment must be performed at least once every five years by a qualified, independent assessor or assessment team. The requirement for an external assessment may also be met through a self-assessment with independent validation.'*

External Quality Assessment

- 2.4 An External Quality Assessment of the Southern Internal Audit Partnership was undertaken during September to December 2025. The scope was comprehensive including review of the Southern Internal Audit Partnership's:
- Conformance with the Global Internal Audit Standards in the UK Public Sector.
 - Mandate, charter, strategy, methodologies, processes, risk assessment and internal audit planning.
 - Performance measures and outcomes.
 - Qualifications and competencies including those of the Chief Internal Auditor.
 - Integration into the organisation's governance processes.
 - Contribution towards the organisation governance, risk management, and control processes.
 - Contribution to the organisations operations and ability to attain its objectives.
 - Ability to meet the expectations of stakeholders.

- 2.5 The External Quality Assessment was undertaken by John Chesshire of JC Training Ltd who met all of the necessary requirements of the enhanced qualification and experience required of an external assessor in the public sector. John is also the current Chairman of the Internal Audit Standards and Advisory Board whose role includes oversight of the development and periodic revision of the Global Internal Audit Standards. As such John is ideally positioned to provide the most credible assessment of the Southern Internal Audit Partnership against the new Standards

External Quality Assessment Outcome

- 2.6 A full copy of the External Quality Assessment – Final Report is provided (Appendix A), in concluding their conformance opinion, the external assessor states:

'I undertook this EQA review to provide an independent, objective, examination of SIAP against the GIAS, the Application Note, and the expectations within the CIPFA Code, as well as considering the function's effectiveness and delivery compared with other internal audit functions, current and emerging good practice(s).

The GIAS comprises five Domains, 15 Principles and 52 Standards. For each Standard, there are Requirements, Considerations for Implementation and Examples of Evidence of Conformance to achieve.

SIAP has achieved an excellent result of 'generally achieves' in this EQA in relation to the GIAS and Application Note. The IIA use the term 'general achievement' or 'general conformance' to indicate that "internal audit activities were performed in general conformance with the Global Standards."

I include a summary of SIAP's conformance to the GIAS, below. Overall, I believe that the team has achieved an excellent performance given its size, together with the breadth and depth of the benchmark established by the new GIAS.

I am delighted to confirm that SIAP fully achieves 46 of the 52 Standards and generally achieves the remaining six Standards. There are no partial conformances, or areas where the team do not conform with any Standards.

I have undertaken ten reviews of diverse internal audit functions using the (new) GIAS to date and this result puts SIAP firmly within the top quartile and represents the highest level of achievement and conformance with the new GIAS that I have seen to date.'

Summary of IIA Conformance	Standards	Does not Conform	Partially Conforms/ Achieves	Generally Conforms/ Achieves	Fully Conforms/ Achieves	Total
Purpose of Internal Auditing	N/A					N/A
Ethics and Professionalism	13				13	13
Governing the Internal Audit Function	9			3	6	9
Managing the Internal Audit Function	16			1	15	16
Performing Internal Audit Services	14			2	12	14
	52	0	0	6	46	52

2.7 In contextualising the overall assessment outcome, the external assessors clarify:

‘Given these results, you may ask why does SIAP not fully achieve/conform, overall, given this level of attainment? The reason is that the IIA have set an incredibly high, and some may say excessively high, benchmark for the ‘fully achieves’ level of attainment. To fully achieve or conform, the IIA state that “The internal audit function is fully achieving all 15 principles and the Purpose of Internal Auditing.” To fully achieve each of the 15 Principles, an internal audit function must fully conform with each of the 52 Standards.

Given that the GIAS remains ‘comply or explain’ in nature, an internal audit function can reasonably decide that some elements are not necessary to fully adopt, given the team’s nature, size, sector, cost/benefit, value for money considerations, or target maturity level. Not everything must be platinum-plated, and a level of common sense, judgement and proportionality is important.’

Opportunities for Improvement

2.8 It is important to note that the external assessor in their final report clearly states ‘I do not make any formal recommendations in this report. To aid continuous improvement however, I do make a small number of suggestions for future development’.

- 2.9 Whilst there is no obligation on the Southern Internal Audit Partnership to address the highlighted areas of improvement, our culture as a learning organisation seeks continual development in ensuring our service is future proofed, lean, efficient, and effective. Consequently, an Action Plan (Appendix B) has been compiled to consider each of the suggested future development opportunities.

Conclusion

- 2.10 The decision to undertake an early external quality assessment and the resulting outcome provides assurance to the Council that the Southern Internal Audit Partnership are operating in general conformance with the Global Internal Audit Standards in the UK Public Sector and remain well positioned as your internal audit provider.

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.

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 None.



Neil Pitman
Head of Southern Internal Audit Partnership

Dear Neil,

Please see attached my final report as promised.

This report forms the final phase of the external quality assessment exercise. Congratulations on an excellent result.

Many thanks once again to you and the team for facilitating the exercise smoothly, professionally and efficiently.

Best wishes as ever and very happy to answer any questions.

John Chesshire
Director, JC Audit Training Ltd



External Quality Assessment

INDEPENDENT REVIEW FINAL REPORT

GENERAL ACHIEVEMENT	SOUTHERN INTERNAL AUDIT PARTNERSHIP GENERALLY ACHIEVES THE GLOBAL INTERNAL AUDIT STANDARDS, THE INTERNATIONAL PROFESSIONAL PRACTICES FRAMEWORK AND THE UK PUBLIC SECTOR APPLICATION NOTE
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John Chesshire CFIIA CRMA CIA CISA
JC Audit Training Ltd

11 December 2025

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Executive Summary

1. The Institute of Internal Auditors (IIA) launched their new Global Internal Audit Standards (GIAS) in January 2024, providing organisations, and their internal audit functions, twelve months to adapt their practices to meet the updated benchmark. The UK public sector delayed formal implementation to align with reporting years, and the GIAS became formally effective across this sector from 1st April 2025.
2. The GIAS comprises five Domains, 15 Principles, and 52 Standards. They replace the previous iteration and the UK's Public Sector Internal Audit Standards (PSIAS), which in turn were based upon the IIA's earlier International Standards.
3. The Southern Internal Audit Partnership (SIAP) commissioned this external quality assessment (EQA) in 2025 to assess their service against the new GIAS, as the very latest, best international internal audit practice. The GIAS requires an EQA at least once every five years, with SIAP last having one in September 2020. I was requested to undertake this current engagement, and, for the record, I also delivered the previous exercise on behalf of the Chartered IIA.
4. I am an experienced EQA reviewer, a former Head of Internal Audit and Chief Assurance Officer, and current Audit Committee Chair. I have delivered approximately 60 EQA reviews over the last eight years to a variety of clients of all sectors and sizes, across the UK and overseas. I have already undertaken several of these using the new GIAS.
5. I undertook this EQA by undertaking a formal validation of the team's internal assessment in Autumn 2025. This included examining SIAP's approach, ways of working, methodologies, remote document review and analysis, a selection of stakeholder and team member interviews, a targeted review of a selection of recent internal audit assurance and advisory engagement files, evaluation and the drafting and communication of this report.
5. I am delighted to report that SIAP **generally achieves** the GIAS which represents the global benchmark for internal audit quality. The IIA use the term 'general achievement' or 'general conformance' to indicate that "internal audit activities were performed in general conformance with the Global Standards."
6. This is an **excellent result**, particularly given the recent launch of the GIAS and SIAP's complexities as a multi-client provider of internal audit services. Many internal audit functions are struggling to conform with aspects of the GIAS, and others within the public sector are certainly not as well advanced in their implementation and maturity.

7. I have undertaken ten reviews of diverse internal audit functions using the (new) GIAS to date and this result puts **SIAP firmly within the top quartile and represents one of the highest levels of achievement and conformance with the new GIAS that I have seen to date.** Congratulations to all involved.
8. SIAP, and their key stakeholders, have established an effective governance and management framework over their activity that includes:
 - Well-established Audit Committee (or equivalent) oversight, appropriate functional and administrative reporting lines, with revised Internal Audit Mandates and Charters, updated in line with the new GIAS.
 - A very experienced Head of Partnership leads SIAP, supported by an Assistant Head, four deputies and a knowledgeable professional team with diverse knowledge, backgrounds and capabilities. The SIAP team are trusted, valued and respected for their professionalism by key stakeholders.
 - SIAP strategic and operational priorities are guided by regular engagement with key stakeholders, an overarching audit strategy aligned with the new GIAS, flexible periodic audit plans, an updated quality assurance and improvement programme, investment in learning and development, and increasingly effective use of specialist internal audit software applications.
 - Revised SIAP working practices, templates, tools and an updated internal audit methodology aligned with the GIAS that seeks to balance agility and efficiency, with root cause analysis and depth to deliver added value, insight and - increasingly - foresight to its key stakeholders.
9. From the EQA results, I am satisfied that SIAP clearly conforms with the fifteen GIAS Principles. SIAP also conforms with the fifty two Standards. **I am very pleased to report that there are no Standards that the Internal Audit Service ‘partially achieves’ or ‘does not achieve’.** Once again, this is very positive and represents an excellent level of performance against a challenging - and new - set of demanding benchmarks.
10. Given SIAP’s high level of performance and achievement with the GIAS, I do not make any formal recommendations in this report. To aid continuous improvement, however, I do make a small number of suggestions for further development.
11. I would like to thank everyone who assisted us in this review, most obviously the Head of Partnership, for organising everything, and their SIAP colleagues and key stakeholders I interviewed as part of this EQA process. Thank you all.

Introduction and approach

12. The Head of Southern Internal Audit Partnership (SIAP) commissioned this External Quality Assessment (EQA) against the Institute of Internal Auditors (IIA) Global Internal Audit Standards (GIAS). The GIAS were formally implemented across the UK public sector on 1st April 2025 and forms the key part of the broader IIA International Professional Practices Framework (IPPF) alongside the new Topical Requirements¹.
13. The GIAS builds upon the previous International Standards and the associated UK Public Sector Internal Audit Standards. For the UK public sector, the GIAS are also supplemented by the Global Internal Audit Standards in the UK Public Sector Application Note (Application Note).
14. The Chartered IIA state that the GIAS, “guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function. At the heart of the Standards are fifteen guiding principles that enable effective internal auditing. Each principle is supported by standards that contain requirements, considerations for implementation, and examples of evidence of conformance. Together, these elements help internal auditors achieve the principles and fulfill the Purpose of Internal Auditing”. The GIAS comprises five Domains, 15 Principles and 52 Standards, with some additional public sector nuances introduced through the Application Note.
15. In local government, the CIPFA Code of Practice for the Governance Internal Audit in UK Local Government (CIPFA Code) also applies to address the ‘essential conditions’ for the governance of internal audit set out in Domain III of the GIAS. The Code concerns the roles of senior management and the audit committee regarding internal audit. EQAs must also consider the governance of internal audit, which for local government is set out in this CIPFA Code.
16. Where internal audit providers have more than one local government client, like SIAP, the governance arrangements for internal audit should be separately considered so that there can be a conclusion for each client. This does not mean that a separate EQA is required for each authority, only that the EQA must be able to conclude individually for each principal local authority client. I have undertaken this in this EQA.

¹ The IIA states that the Topical Requirements “enhance the consistency and quality of internal audit services, increasing the professionalism of internal auditors’ performance. They help strengthen the relevance of internal auditing to address pervasive and evolving risks.” The first Topical Requirement on Cybersecurity becomes properly effective on February 5, 2026. As a result, Topical Requirements were not applicable at the time of this EQA.

17. Where the internal audit function applies a common approach to its working practices for all its clients (e.g. engagement planning and conduct of audits), again like SIAP, then the EQA assessor may sample across the client base to verify those aspects of the standards. Where the internal audit provider has a large client base, this may mean the conduct of internal audit engagements at an authority may not be selected for sample testing. If the EQA assessor is satisfied that the provider adopts a common approach across the clients, then the authority can still be satisfied with the assessor's conclusion. This is the approach that I have also undertaken in this EQA exercise.
18. The SIAP team comprises 61 internal audit, IT audit and counter fraud professionals. SIAP seeks to bring together the professional discipline of internal audit across partnering organisations, pooling expertise and enabling a flexible, responsive and resilient service to its partner and client portfolio. SIAP currently delivers internal audit services to 20 local authorities, including Hampshire and West Sussex County Councils, five blue light clients and six other smaller clients. The SIAP partner and client base has continued to grow since the 2020 EQA exercise and delivers nearly 10000 days' chargeable work.
19. The Head of Partnership, supported by the Assistant Head and four Deputy Heads fulfil the Chief Internal Auditor (CIA) roles for their respective portfolios. They report functionally to Audit Committees in the partner and client organisations. In addition, the Head of Partnership reports strategically to the Strategic and Key Stakeholder Boards.
20. SIAP last had an EQA in 2020, undertaken by the Chartered Institute of Internal Auditors (Chartered IIA). The GIAS mandate these EQAs at least once every five years.
21. Like many internal audit teams, SIAP has reviewed its governance, management and operational practices because of the update and implementation of the GIAS. The IIA are keen that the GIAS help 'raise the bar' for internal audit services across the world. As a result, SIAP undertook a thorough gap analysis and embarked upon identifying and implementing changes and enhancements to better align with the new GIAS, the associated Application Note and the expectations of the Code.
22. This EQA included examining SIAP's overall approach, methodology, processes, remote document review and analysis, interviews with the team and stakeholders, a targeted review of a selection of their recent internal audit assurance engagement files, evaluation and the drafting and communication of this report. I have included a list of stakeholder interviewees at appendix one, SIAP team members interviewed at appendix two, and a sample of the feedback at appendix three.

23. The EQA primarily involved comparison of working practices against the GIAS. The tried and tested process I followed involved:

- Examining and reflecting upon the requirements of the Purpose of Internal Auditing, the five Domains, the 15 Principles and the 52 Standards. I have also employed the 'Considerations for Implementation' and the 'Examples of Evidence of Conformance'.
- Assessing the key criteria needed to demonstrate appropriate compliance.
- Recording the necessary evidence to demonstrate SIAP's conformance status with each Standard. I have undertaken this through documentation review, thorough consideration of SIAP's latest (and comprehensive) self-assessment, a targeted examination of working papers, with evidence drawn from across the whole client base, discussions with team members and selected interviews (et al), as noted above. I have recorded the sample SIAP engagements I reviewed in detail in appendix four, but I examined aspects of work SIAP have undertaken with each client.
- Comparing the evidence to the key conformance criteria and assessing the degree of conformance. I have employed the standard IIA definitions for this and have provided these in appendix five.

Conformance opinion

24. As noted above, I undertook this EQA review to provide an independent, objective, examination of SIAP against the GIAS, the Application Note, and the expectations within the CIPFA Code, as well as considering the function's effectiveness and delivery compared with other internal audit functions, current and emerging good practice(s).

25. The GIAS comprises five Domains, 15 Principles and 52 Standards. For each Standard, there are Requirements, Considerations for Implementation and Examples of Evidence of Conformance to achieve.

26. **SIAP has achieved an excellent result of 'generally achieves' in this EQA** in relation to the GIAS and Application Note. The IIA use the term 'general achievement' or 'general conformance' to indicate that "internal audit activities were performed in general conformance with the Global Standards."

27. I include a summary of SIAP's conformance to the GIAS, below. Overall, I believe that the team has achieved an excellent performance given its size, together with the breadth and depth of the benchmark established by the new GIAS.

28. I am delighted to confirm that SIAP fully achieves 46 of the 52 Standards and generally achieves the remaining six Standards. There are no partial conformances, or areas where the team do not conform with any Standards.

29. I have undertaken ten reviews of diverse internal audit functions using the (new) GIAS to date and this result puts SIAP firmly within the top quartile and represents the highest level of achievement and conformance with the new GIAS that I have seen to date.

Summary of IIA Conformance	Standards	Does not Conform	Partially Conforms/Achieves	Generally Conforms/Achieves	Fully Conforms/Achieves	Total
Purpose of Internal Auditing	N/A					N/A
Ethics and Professionalism	13				13	13
Governing the Internal Audit Function	9			3	6	9
Managing the Internal Audit Function	16			1	15	16
Performing Internal Audit Services	14			2	12	14
	52	0	0	6	46	52

30. Given these results, you may ask why does SIAP not fully achieve/conform, overall, given this level of attainment? The reason is that the IIA have set an incredibly high, and some may say excessively high, benchmark for the ‘fully achieves’ level of attainment. To fully achieve or conform, the IIA state that “The internal audit function is fully achieving all 15 principles and the Purpose of Internal Auditing.” To fully achieve each of the 15 Principles, an internal audit function must fully conform with each of the 52 Standards.

31. Given that the GIAS remains ‘comply or explain’ in nature, an internal audit function can reasonably decide that some elements are not necessary to fully adopt, given the team’s nature, size, sector, cost/benefit, value for money considerations, or target maturity level. Not everything must be platinum-plated, and a level of common sense, judgement and proportionality is important.

32. I summarise the results further using a red, amber, light and dark green (RAGG) colour-coding covering each of the 15 Principles as shown below:

Principles	
1	Demonstrate Integrity
2	Maintain Objectivity
3	Demonstrate Competence
4	Exercise Due Professional Care
5	Maintain Confidentiality
6	Authorized by the Board
7	Positioned Independently
8	Overseen by the Board
9	Plan Strategically
10	Manage Resources
11	Communicate Effectively
12	Enhance Quality
13	Plan Engagements Effectively
14	Conduct Engagement Work
15	Communicate Engagement Conclusions and Monitor Action Plans

33. For SIAP’s conformance with the 52 Standards, the results are:

Standards						
1.1		6.1		9.5		13.2
1.2		6.2		10.1		13.3
1.3		6.3	Support	10.2		13.4
2.1		7.1		10.3		13.5
2.2		7.2		11.1		13.6
2.3		8.1	Board	11.2		14.1
3.1		8.2		11.3		14.2
3.2		8.3		11.4		14.3
4.1		8.4		11.5		14.4
4.2		9.1		12.1		14.5
4.3		9.2	Strategy	12.2		14.6
5.1		9.3		12.3	Oversee	15.1
5.2		9.4	Plan	13.1		15.2
						E. Resource

Deliverables

34. In addition to this report, I have provided the Head of Partnership and the Internal Audit Service with a briefly annotated version of their own Internal Quality Assessment (IQA) which I have validated through this EQA. This evidences my view of the team's own IQA.
35. I make several small suggestions to help promote ongoing development and continuous improvement. I have included these suggestions on pages 11-14 below.

Key achievements

36. I believe that SIAP performs very effectively in its own governance, risk management and internal audit practices. I was particularly impressed with the following:
 - SIAP delivers a very effective, efficient, independent, and objective assurance and advisory service across its partners and clients, covering their diverse and complex activities.
 - SIAP's own governance framework is mature, with strategic oversight through a well-established Key Stakeholder Board, as well as partner and client Audit Committee (or equivalent) and senior management engagement, oversight, reporting and regular communications.
 - SIAP's revised Internal Audit Charter fully aligns to the good practice detailed in the GIAS. It clearly details the team's mandate, purpose, authority, and accountability.
 - A very experienced Head of Partnership leads SIAP, supported by an Assistant Head, four deputies and a knowledgeable professional team with diverse knowledge, backgrounds and capabilities. The Learning and Development Plan 2024-26 represents good practice, covering SIAP's overall approach to induction, vocational training, performance management, and learning and development.
 - Team members have considerable practical and professional experience and undertake an appropriate range of Continuing Professional Development (CPD) activities to maintain and enhance knowledge, skills, and experience. Less experienced colleagues are supported through a very well-received, effective induction programme. SIAP maintains a useful log of the team's collective Knowledge, Qualifications, Skills and Experience.

- Partners and clients highly value the team's specialisms and capabilities in IT audit and counter fraud expertise, together with the resilience and capacity that SIAP bring.
- SIAP has established an Internal Audit Strategy for 2025-2028. This is clear and well presented, with valid relevant objectives and priorities for the team to aim for and deliver. This has been developed with partner and client involvement and indicates how SIAP aims to continue to enhance the assurance and advisory services it delivers to help them enhance their own governance, risk management and control practices, and thereby deliver their own objectives.
- SIAP agree flexible internal audit plans with their partners and clients. These include future engagements based upon key risks, client priorities, other sources of assurance and SIAP views and judgement. The client Audit Committee (or equivalent), senior management and other assurance providers are closely involved in, or contribute to, the SIAP planning process.
- SIAP have sought to develop effective working relationships with other partner and client functions in the second and fourth lines of assurance, most obviously with risk management and external audit. Some reliance is placed on the work of other teams, when appropriate, such as transformation or quality assurance, and SIAP have developed a methodology for this
- Delivery of the Internal Audit Strategy 2025-2028 and internal audit plans are supported by an updated, effective Quality Assurance and Improvement Programme, with associated improvement priorities and a suite of Internal Audit Performance Measures.
- In recent years, SIAP has enhanced its use of technology, invested in K10 audit management software, data analytics tools and expertise and is continuing to explore how generative artificial intelligence (Copilot) can further enhance efficiency and effectiveness. This technology focus outpaces many comparable functions. The team has achieved clear benefits and efficiencies from their use of technology to date but also recognise that there is more to be achieved in each area.
- SIAP have also updated their own methodologies, procedures and templates in line with the GIAS. In particular, the team's refreshed report template is particularly user-friendly, and the embedding of root cause analysis, together with the benefits this should bring SIAP, its partners, and clients, continues.

- It is clear from the EQA that SIAP are trusted, respected and valued by key stakeholders. Feedback was very positive about the service and its delivery, both in the interviews undertaken for this review and through the team's own surveys and related feedback mechanisms.

37. In conclusion, SIAP have invested time and effort in reviewing, updating, communicating and aligning their own governance, planning, quality and delivery methodologies to the GIAS. This has clearly paid off with an approach that clearly mirrors good global practice.

Areas for improvement

38. I believe that the Head of Partnership and SIAP have clearly embedded a culture of continuous improvement in their approach and ethos. And like most internal audit functions everywhere, they continue their journey embedding the new GIAS and ensuring their services are future-proof, lean, efficient and effective.

39. I include a small number of observations and suggestions for the Head of Partnership and SIAP to consider below, linking them to relevant elements of GIAS. Some are general points to consider, but I also mention the rationale for each of the six 'generally achieves' results below.

40. I will repeat again, however, that these areas still appropriately meet the expectations of the GIAS, and me as the EQA assessor. They **do not** represent shortcomings or failures in respect of conformance with the GIAS. These observations and suggestions do not require a formal response.

- SIAP fully achieves Standard 1.1 Honesty and Professional Courage and Standard 1.2 Organisation's Ethical Expectations.

Going forward within the planned training on these areas and Domain II in general, detailed in the Learning and Development Plan 2024-2026, the Head of Partnership could usefully consider including practical ethical dilemmas, ethics scenarios or case studies, common challenges and how to deal with them, in future learning coverage.

- SIAP fully achieves Standard 3.1, Competency.

While many of the team are highly skilled, knowledgeable and experienced, other team members continue to gain competence and confidence. SIAP actively supports team members as they gain experience. SIAP have certainly also put effort and resources into growing their specialist teams, primarily IT audit and counter fraud, and developing the skills sets within these teams.

SIAP leadership and their stakeholders recognise that additional emphasis on advisory, rather than assurance engagements, will be needed over the medium term as Local Government Reorganisation and Devolution proceeds. Additional advisory skills and learning may be necessary to add value, insight and foresight across SIAP.

The team does not always have deep, specialist expertise in everything they may be asked to deliver assurance over, such as AI as a topical example, and staying up to date with IT and cyber security changes and associated developments are a real challenge for any internal audit function. This is normal for any internal audit function.

A clear related risk is that of succession and service continuity, whether in respect of the potential loss of more experienced team members, or specialists within the IT audit or counter fraud teams. SIAP has clearly recognised these challenges and has boosted both capacity and capability.

Continuing to manage these risks will be key to SIAP's future resilience at a time of change.

- SIAP generally achieves Standard 6.3, Board and Senior Management Support, and 8.1, Board Interaction.

The Head of Partnership and SIAP have undertaken everything I would expect of them under these Standards, the related Application Note and CIPFA Code.

Where SIAP do not have a direct influence, I am satisfied that the team have engaged with each partner and client highlighting the importance of Domain III, the Application Note and Code and developing an action plan to encourage compliance, highlighting its importance and their ability as an organisation to confirm in the 2025/26 Annual Governance Statement that they are conforming with the GIAS in the UK Public Sector. Some partners and clients are fully compliant, while others still have some actions to progress, resulting in a general, rather than full, level of achievement for SIAP against these Standards.

- SIAP fully achieves Standard 8.3, Quality. The team revised their Quality Assurance and Improvement Programme in June 2025. The result is excellent. SIAP will need to continue to focus on embedding and implementing the various actions and priorities contained within this document to progress the five identified areas for improvement. I support these next steps and the periodic reporting of progress to partner and client Audit Committees (or equivalent) and senior management, as well as to other key stakeholders.

- SIAP generally achieves Standard 9.2, Internal Audit Strategy.

SIAP has established an Internal Audit Strategy for 2025-2028. This is clear and well presented, with valid relevant objectives and priorities for the team to aim for and deliver. This has been developed with partner and client involvement, but given the number of partners and clients, it is not practical for this to be aligned to each separate organisation's key objectives and priorities.

The Head of Partnership and SIAP have consciously chosen not to seek to implement every aspect of this Standard, where it makes little practical sense to do so, given the size and nature of their function. In my opinion, this makes perfect sense, as there is little value in conformance for the sake of conformance, but it does result in this generally (rather than fully) achieves assessment here.

- SIAP generally achieves Standard 9.4, Internal Audit Plan.

Going forward, SIAP should add additional detail – ideally bespoke for each partner or client – on the rationale for not including an assurance engagement in a high-risk area or activity in its flexible internal audit plans. SIAP currently includes a short standard statement, but this would benefit from being more tailored to the individual partner or client if a 'fully achieved' rating is considered necessary.

- SIAP fully achieves Standard 11.1, Building Relationships and Communicating with Stakeholders, and 11.3, Communicating Results.

At interview, and in the April 2025 SIAP survey responses, some stakeholders commented whether there was more that could be done in terms of sharing cross-client themes, issues, results, root causes and insights. This is an obvious benefit of the partnership model and AI may enable the development of additional insights that could be efficiently created and add value.

- SIAP generally achieves both Standard 12.3, Oversee and Improve Engagement Performance, and 13.5 Engagement Resources.

SIAP has set a strategic objective to innovate to explore a more agile approach to the audit process, building efficiencies and producing more timely feedback to the organisation. Some stakeholders at interview, through the April 2025 SIAP survey, and my own sample of engagements, commented that occasionally there were delays in the completion of engagements.

While there can be varied reasons for these delays, this may require closer monitoring and earlier supportive intervention from engagement managers if delivery is affected and the allocation of additional resources, where necessary, to help ensure any particularly critical milestones or deadlines are achieved.

I support the planned actions detailed in the Internal Audit Strategy 2025-2028 for investigating and addressing these concerns.

- SIAP fully achieves Standard 13.3, Engagement Objectives and Scope, 13.4, Evaluation Criteria, and 14.3 Evaluation of Findings

SIAP will need to consider how best to incorporate the IIA's Topical Requirements into their methodology, particularly when it comes to engagement scope and objectives. At the time of this EQA, two Topical Requirements have been finalised to date, two have been released in draft, and others are in the production pipeline. The first on Cybersecurity comes into effect in February 2026.

Additional thinking, guidance and review on what constitutes the 'criteria' against which performance is assessed could also prove beneficial, as this is a key change included within the GIAS.

Finally, the use of root cause analysis has commenced within the team, and the initial results are promising from both a SIAP and stakeholder perspective. There will be further opportunity to deliver insights on common root cause categories and themes across the partner and client base.

- The obvious opportunities and challenges associated with Local Government Reorganisation were highlighted by several SIAP team members and stakeholders during this EQA.

In times of change and transformation, there is likely to be a far greater demand for SIAP to support its partners and clients through advisory and/or 'real time' assurance engagements. To date, the majority of SIAP work has been of an assurance nature, given stakeholder resourcing constraints and priorities.

Ensuring that the team can meet partner and client diverse assurance and advisory needs in this volatile time of change will be key to maintaining effective relations, supporting and helping clients through added value, insights and foresight when stakeholder capacity for internal audit activity may be stretched.

Appendix One - Stakeholder Interviewees

Interviewee	Position
Peter Appleton	Section 151 Officer, Surrey/Sussex Police Force
Cllr Ian Booth	Chair, Audit and Scrutiny Committee, Tandridge District Council
Jo Cassar	Monitoring Officer, Eastleigh Borough Council
Cllr Nigel Dennis	Chair, Regulation, Audit and Accounts Committee, West Sussex County Council
Ian Duke	Chief Executive, Crawley Borough Council
David Ford	Chief Executive, Tandridge District Council
Caroline Martlew	S151 Officer, Crawley Borough Council
Cllr Steve Holes	Chair, Audit and Resources Committee, Eastleigh Borough Council
Cllr Kiran Khan	Chair, Audit Committee, Crawley Borough Council
Sarah King	S151 Officer, Eastleigh Borough Council
Cllr Derek Mellor	Chair, Audit Committee, Hampshire County Council
Kelvin Menon	S151 Officer, Surrey Office of the Police and Crime Commissioner
Patrick Molineux	Chair, Surrey Joint Audit Committee
James Strachan	Chief Executive, Eastleigh Borough Council
Mike Suarez	S151 Officer, West Sussex County Council
John Ward	Chief Operating Officer and S151, Chichester District Council
Andy Lowe	Director of Corporate Operations (S151), Hampshire County Council
Gary Westbrook	Chief Executive, Hampshire County Council
Leigh Whitehouse	Chief Executive, West Sussex County Council

Appendix Two - SIAP Interviewees

Interviewee	Position
Vanessa Anthony	Audit Manager
Nick Barrett	Audit Manager
Donna Bone	Auditor
Amanda Fahy	Auditor
Liz Foster	Audit Manager
Emma Fullerton	Senior Auditor
Laura Hutchison	Auditor
Dorota Kruczynska	Senior Auditor
Lisa Lowe	Auditor
Neil Pitman	Head of SIAP
Hayley Potheccary	Auditor
Laura Scull	Auditor
James Short	IT Audit Manager
Lisa Smy	Audit Manager
Nigel Spriggs	Senior Auditor
Sophie Taylor-D'Arcy	Auditor
Sun Wong	Senior Auditor

Appendix Three - Selected Interview Feedback

"I'm very pleased with the SIAP service – it is very professional and very prepared. They know what they are doing and involve the right stakeholders."

"We really value internal audit's conclusions and advice – even though we have had a run of limited assurances recently."

"They have had some staffing issues last year and this caused some delays in delivery of the plan, but these have been resolved now."

"SIAP are flexible, responsive and adapt the plan when we request it so that the focus is on higher priority areas. We get sufficient assurance from them because of their risk-based approach."

"Communications with the Audit Committee are good, clear and professional. We really value the quality of their reports."

"We have seen a stepped improvement since bringing SIAP in, leading to an elevated profile for internal audit and their work is taken far more seriously by management."

"The development of the internal audit plan is participative and iterative, resulting in good engagement and a very good plan that looks at the right areas at the right time."

"Because SIAP generally work remotely, interactions feel slightly more distant and a step removed from us. This has some disadvantages, and I wonder whether they can effectively pick up on the things an embedded service would pick up on."

"I particularly value the IT audit expertise that SIAP bring."

"SIAP resources are my only concern. They have been upfront about the challenges, and they are managing these. They do a good job on prioritizing their work on the most important areas."

"They are definitely a trusted partner to us and where there have been the occasional issues, they get it right."

"The specialist fraud team is really useful and a big benefit of having SIAP."

"I'm very happy with the Partnership and their continued growth speaks volumes about their quality, effectiveness and delivery."

"SIAP are very collaborative, and they are challenging when they need to be."

"Some of the SIAP reports are a little confusing, lengthy and too detailed."

“They have faced some challenges with resourcing, vacancies and churn, but we have not seen an impact on the internal audit programme, on delivery or on quality.”

“The SIAP induction process was excellent. I had a good mentor and the whole process was supportive and informative. It has given me confidence in the new role.” (SIAP)

“LGR is an obvious challenge for us and for SIAP. How we come up with an internal audit workplan that adds value in the time of LGR may be difficult, especially when combined with the capacity of the organisation to accept internal audit work and reviews.”

“SIAP are approachable and flexible, but firm when they need to be.”

“I like the quality of the internal audit reports – they are well-structured, readable and not too long. The actions are appropriate and address the issues.”

“SIAP’s presentations at Audit Committee are good, professional, and clear. They deal with the Committee’s questions confidently and effectively.”

“I have nothing bad to say about the service we get from SIAP. Their communications are good, they are approachable and they involve us appropriately in developing the internal audit plan and in the delivery of individual engagements.”

“They have briefed the Audit Committee on the new Standards. I have found the team to be helpful, and they deliver the assurance we need.”

“Some audits have taken longer than expected, but on balance it is beneficial having a bigger partnership and I’m pretty happy with the service we have received.”

“I feel very well engaged, supported and assured by the SIAP team. I have regular dialogue and ongoing interaction with them. This has led to a mature and trusted relationship.”

“We have had some benefits from SIAP consultancy services and not just their assurance work. In respect of LGR, we need to make sure we use internal audit in this process.”

“Future proofing will be important – not just because of LGR, but because of developments in digital, AI, the general technology space and data governance.”

“We are wanting to see more in the way of best practice from others so we can learn from SIAP’s wider client base. No onsite presence does also mean less visibility of internal audit.”

“Overall, we are getting the assurance we need. They are engaging, receptive and professional in their approach and work.”

Appendix Four - List of Reviewed 'Deep Dive' Internal Audit Engagements²

Engagement
Chichester District Council, Safeguarding, 2025/26
Crawley Borough Council, Food Safety 2025/26
Eastleigh Borough Council, Treasury Management, 2025/26
Epsom and Ewell Borough Council, Tree Preservation Orders 2024/25
Hampshire County Council - Information Governance 2025/26 (in progress at review)
Hampshire and the Isle of Wight Fire and Rescue Service, Risk Management 2025/26
Runnymede Borough Council, Emergency Planning and Business Continuity 2024/2025
Spelthorne Borough Council, Main Accounting 2025/26
Tandridge District Council, Climate Change Strategy 2025/26
West Sussex County Council, Pool Cars 2025/26 (in progress at review)

² As noted earlier, I also briefly reviewed governance and engagement documentation for each client.

Appendix Five - External Quality Assessment Ratings

Quality Rating	Total Opinion	Principle Opinion	Standard Opinion
Full achievement The HIA can state that all internal audit activities were performed in full conformance with the Global Standards.	The internal audit function is fully achieving all 15 principles and the Purpose of Internal Auditing.	The internal audit function is fully achieving all the Standards related to the Principle and the Principle's intent.	The internal audit function is fully conforming with all requirements of the Standard and the Standard's intent.
General achievement The HIA can state that internal audit activities were performed in general conformance with the Global Standards.	The internal audit function is achieving the Purpose of Internal Auditing however it is not fully achieving at least one Principle or aspect of Domain I.	The internal audit function is achieving the Principle's intent. However, it is not fully achieving at least one Standard.	The internal audit function is achieving the intent of the Standard but not fully conforming with at least one requirement of the Standard.
Partial achievement The HOIA may not state that all internal audit activities were performed in conformance with the Standards but may be able to depending on the activity.	The internal audit function achieves some Principles. However, it is not fully achieving at least one Principle and one aspect of Domain I and the impact is significant enough to rate the function's overall achievement as partially achieving.	The internal audit function achieves some Standards. However, it is not fully conforming with at least one Standard, and the impact is significant enough to rate the function as Partially achieving the principle.	The internal audit function achieves some requirements of the Standard. However, it is not fully conforming with at least one requirement, and the impact is significant enough to rate conformance with the Standard as partially conforming.
Nonachievement The HIA may not state that internal audit activities were performed in conformance with the Standards.	The internal audit function fully achieves some Principles; however it is not fully achieving more than one aspect of Domain I and the impact is significant enough to rate the function's overall achievement as not achieving.	The internal audit function is not fully conforming with more than one Standard, and the impact is significant enough to rate the function as not achieving the Principle's intent.	The internal audit function is not fully conforming with more than one requirement, and the impact is significant enough to rate conformance with the standard as not achieving the Standard's intent.

External Quality Assessment December 2025 - Action Plan

Standard	Detail	Action Owner	Target Date	Action
Non – Compliance with the Global Internal Audit Standards in the UK Public Sector; Application Note; and Code Governance				
N/A	N/A	N/A	N/A	N/A
Suggested areas of improvement				
1.1 & 1.2	<p>SIAP fully achieves Standard 1.1 Honesty and Professional Courage and Standard 1.2 Organisations Ethical Expectations</p> <p>Going forward within the planned training on these areas and Domain II in general, detailed in the Learning and Development Plan 2024-2026, the Head of Partnership could usefully consider including practical ethical dilemmas, ethics scenarios or case studies, common challenges and how to deal with them, in future learning coverage</p>	Deputy Head of Partnership (IB)	March 2026	To include including practical ethical dilemmas, ethics scenarios or case studies, common challenges and how to deal with them, in future learning coverage
3.1	<p>SIAP fully achieves Standard 3.1, Competency.</p> <p>SIAP leadership and their stakeholders recognise that additional emphasis on advisory, rather than assurance engagements, will be needed over the medium term as Local Government Reorganisation and Devolution proceeds. Additional advisory skills and learning may be necessary to add value, insight and foresight across SIAP.</p> <p>Staying up to date with IT and cyber security changes and associated developments are a real challenge for any internal audit function. This is normal for any internal audit function.</p>	Head of Partnership	July 2026	<p>Arrange training and support to develop advisory skills to compliment future client needs (particularly in light of LGR & Devolution).</p> <p>Review IT staff CPD and ongoing training needs to support the evolving technical landscape (particular focus on AI and cyber)</p>

Standard	Detail	Action Owner	Target Date	Action
6.3 & 8.1	<p>SIAP generally achieves Standard 6.3, Board and Senior Management Support, and 8.1, Board Interaction.</p> <p>The Head of Partnership and SIAP have undertaken everything I would expect of them under these Standards, the related Application Note and CIPFA Code.</p> <p>Where SIAP do not have a direct influence, I am satisfied that the team have engaged with each partner and client highlighting the importance of Domain III, the Application Note and Code and developing an action plan to encourage compliance, highlighting its importance and their ability as an organisation to confirm in the 2025/26 Annual Governance Statement that they are conforming with the GIAS in the UK Public Sector. Some partners and clients are fully compliant, while others still have some actions to progress, resulting in a general, rather than full, level of achievement for SIAP against these Standards.</p>	SMT	February 2026	Discuss and implement action plans developed as part of partner organisations compliance with the Code of Practice for the Governance of Internal Audit in UK Local Government.
8.3	<p>SIAP fully achieves Standard 8.3, Quality.</p> <p>The team revised their Quality Assurance and Improvement Programme in June 2025. The result is excellent. SIAP will need to continue to focus on embedding and implementing the various actions and priorities contained within this document to progress the five identified areas for improvement. I support these next steps and the periodic reporting of progress to partner and client Audit Committees (or equivalent) and senior management, as well as to other key stakeholders.</p>	Head of Partnership	December 2026	<p>Ongoing implementation of actions within the QAIP.</p> <ul style="list-style-type: none"> • Continue to develop K10 to optimise SIAP efficiencies and effectiveness • Review and update the Partnership website • Explore the opportunities presented from the use of AI in the audit process <p><small>*Actions in relation to Code of Governance & Topical Requirement covered elsewhere in this action plan</small></p>

Standard	Detail	Action Owner	Target Date	Action
9.2	<p>SIAP generally achieves Standard 9.2, Internal Audit Strategy.</p> <p>SIAP has established an Internal Audit Strategy for 2025-2028. This is clear and well presented, with valid relevant objectives and priorities for the team to aim for and deliver. This has been developed with partner and client involvement, but given the number of partners and clients, it is not practical for this to be aligned to each separate organisation’s key objectives and priorities.</p> <p>The Head of Partnership and SIAP have consciously chosen not to seek to implement every aspect of this Standard, where it makes little practical sense to do so, given the size and nature of their function. In my opinion, this makes perfect sense, as there is little value in conformance for the sake of conformance, but it does result in this generally (rather than fully) achieves assessment here.</p>	N/A	N/A	No action – accepting of the fact that due to SIAPs multi-client provider status we will never fully achieve this standard.
9.4	<p>SIAP generally achieves Standard 9.4, Internal Audit Plan.</p> <p>Going forward, SIAP should add additional detail – ideally bespoke for each partner or client – on the rationale for not including an assurance engagement in a high-risk area or activity in its flexible internal audit plans. SIAP currently includes a short standard statement, but this would benefit from being more tailored to the individual partner or client if a ‘fully achieved’ rating is considered necessary.</p>	SMT	March 2027	To incorporate an additional annex in the audit plan report listing all areas assessed as high priority that are not covered in the plan along with a reason for their omission.

Standard	Detail	Action Owner	Target Date	Action
11.1 & 11.3	<p>SIAP fully achieves Standard 11.1, Building Relationships and Communicating with Stakeholders, and 11.3, Communicating Results.</p> <p>At interview, and in the April 2025 SIAP survey responses, some stakeholders commented whether there was more that could be done in terms of sharing cross-client themes, issues, results, root causes and insights. This is an obvious benefit of the partnership model and AI may enable the development of additional insights that could be efficiently created and add value.</p>	Head of Partnership	April 2026	Head of Partnership to engage with Key Stakeholders to determine the ask. From there to develop a process and means of correspondence to meet stakeholder expectations.
12.3 & 13.5	<p>SIAP generally achieves both Standard 12.3, Oversee and Improve Engagement Performance, and 13.5 Engagement Resources.</p> <p>SIAP has set a strategic objective to innovate to explore a more agile approach to the audit process, building efficiencies and producing more timely feedback to the organisation. Some stakeholders at interview, through the April 2025 SIAP survey, and my own sample of engagements, commented that occasionally there were delays in the completion of engagements. While there can be varied reasons for these delays, this may require closer monitoring and earlier supportive intervention from engagement managers if delivery is affected and the allocation of additional resources, where necessary, to help ensure any particularly critical milestones or deadlines are achieved.</p> <p>I support the planned actions detailed in the Internal Audit Strategy 2025-2028 for investigating and addressing these concerns.</p>	SMT	As per Strategy December 2025/27	<p>To complete objectives within the internal audit strategy 'Innovate to explore a more agile approach to the audit process, building efficiencies and producing more timely feedback to the organisation'</p> <p>KPIs have been put in place to help identify process bottlenecks.</p>

Standard	Detail	Action Owner	Target Date	Action
13.3, 13.4, &14.3	<p>SIAP fully achieves Standard 13.3, Engagement Objectives and Scope, 13.4, Evaluation Criteria, and 14.3 Evaluation of Findings</p> <p>SIAP will need to consider how best to incorporate the IIA's Topical Requirements into their methodology, particularly when it comes to engagement scope and objectives. At the time of this EQA, two Topical Requirements have been finalised to date, two have been released in draft, and others are in the production pipeline. The first on Cybersecurity comes into effect in February 2026.</p> <p>Additional thinking, guidance and review on what constitutes the 'criteria' against which performance is assessed could also prove beneficial, as this is a key change included within the GIAS.</p> <p>Finally, the use of root cause analysis has commenced within the team, and the initial results are promising from both a SIAP and stakeholder perspective. There will be further opportunity to deliver insights on common root cause categories and themes across the partner and client base.</p>	Head of Partnership	<p>March 2026</p> <p>July 2026</p>	<p>To update audit Practice Notes to incorporate consideration of Topical Requirements</p> <p>Ensure root cause is appropriately captured at year end to inform themes to be incorporated within the Annual Conclusion(s)</p>

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INTERNAL AUDIT PROGRESS REPORT

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Iona Bond, Deputy Head of Southern Internal Audit Partnership
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 - Internal Audit Progress Report 2025-26 (February 2026) Appendix 2 – Restricted Item

Summary

As required by the Global Internal Audit Standards in UK Public Sector this report presents the Internal Audit Progress Report 2025-26 (February 2026). The report provides the Audit and Scrutiny Committee with an overview of internal audit activity and assurance work completed in accordance with the approved audit plan and provides an overview of key updates relevant to the discharge of the committee's role in relation to internal audit.

Recommendation (s)

The Committee is asked to:

- (1) Note the internal audit progress report 2025-26 (February 2026) from Southern Internal Audit Partnership (SIAP) attached at Appendix 1.**

1 Reason for Recommendation

- 1.1 In accordance with the Global Internal Audit Standards in the UK Public Sector the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee.

2 Background

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

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

- 2.2 From 1 April 2025, the 'standards or guidance' in relation to internal audit are those laid down in the Global Internal Audit Standards (GIAS), Application Note: Global Internal Audit Standards in the UK Public Sector (Application Note) and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements shall be referred to as the Global Internal Audit Standards in the UK Public Sector (the Standards).
- 2.3 The Southern Internal Audit Partnership have made all necessary adaptations to its processes, procedures and practices to ensure it is best placed to conform with these requirements with effect from 1 April 2025.
- 2.4 In accordance with proper internal audit practices (Global Internal Audit Standards in the UK Public Sector), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee, summarising
- ongoing confirmation or otherwise regarding independence, and impairments [Standard 7.1].
 - a summary of significant issues and escalation of matters of importance [Standard 8.1].
 - overview and sufficiency of resourcing [Standards 8.2, 10.1, 10.2, and 10.3].
 - communication of unresolved issues that fall outside of the Council's risk tolerance [Standard 11.5].
 - update on progress and any changes to the annual audit plan [Standard 9.4].
 - internal audit performance measures [Standard 12.2].
 - status of 'live' internal audit reports and status on the implementation of management actions [Standard 15.2.]
- 2.5 Appendix 1 summarises the activities of internal audit for the period up to February 2026.

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 (2025) *Internal Audit Plan 2025-2026 (Q1-2) and Internal Audit Charter 2025-2026*, 27th March 2025. Audit and Scrutiny Committee (2025) *Internal Audit Plan 2025-2026 (Q3-4)* 30th September 2025. 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

Internal Audit Progress Report

Epsom & Ewell Borough Council – February 2026

Prepared by: **Iona Bond, Deputy Head of Partnership**

Agenda Item 12
Appendix 1

1. 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:

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

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

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

2. 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.

3. Purpose of Report

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

- The monitoring of 'live' internal audit reports
- an update on progress against the annual audit plan and any subsequent revisions
- acknowledgement of any actual or perceived impairments to internal audit independence
- internal audit performance, planning and resourcing issues
- results of audit assignments and insights.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of controls in place focusing on those designed to mitigate risks to the achievement of management objectives of the service area under review. 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.

4. Resourcing

As Chief Internal Auditor I maintain responsibility for ensuring that there is a sufficient level of resource available, supported by an appropriate range of knowledge, skills, qualifications and experience to deliver the internal audit plan (2025-26) and in the fulfilment of the audit mandate and delivery of the internal audit strategy.

- **Human Resource** - the Southern Internal Audit Partnership has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and risk-based audit plan.
- **Financial Resource** - the Head of Southern Internal Audit Partnership will manage the internal audit budget to enable the successful implementation of the internal audit mandate and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and relevant technologies and tools.
- **Technological Resource** - the internal audit function has the technology to support the internal audit process and regularly evaluates technological resources in pursuit of opportunities to improve effectiveness and efficiency.

5. 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 2025-26 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 relating to the scope, performance, or communication of internal audit work during the year to date in the delivery of the internal audit plan or the fulfilment of the internal audit mandate.

6. Impairments

There have been no impairments to internal audit activity during the year. The internal audit function has remained free from all conditions that threaten our ability to carry out 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.

7. Rolling Work Programme

The internal audit plan for 2025-26 (quarter 1 & 2) was originally presented to Senior Management and approved by the Audit and Scrutiny Committee in March 2025, with the plan for quarter 3 & 4 presented accordingly in September 2025. 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 below.

Audit Review	Sponsor	Scoping Held	ToR Issued	Fieldwork Start	Draft Report	Final Report	Assurance Opinion	Comment
2024/25 Reviews								
Playground Maintenance	HofOS	15.08.24	10.09.24	09.10.24	28.05.25	27.08.25	Limited	
EEPIC Governance Arrangements	HofP&R	10.10.24	20.11.24	20.11.24	03.07.25	06.11.25	Reasonable	
Payroll	HofP&OD	15.01.25	11.02.25	14.03.25	29.10.25	13.11.25	Reasonable	
Asset Management	HofP&R	16.01.25	04.04.25	09.05.25	09.10.25			Further revised draft report issued 06.02.26
HR Use of Volunteers	HofP&OD	27.02.25	20.03.25	12.05.25	28.08.25	06.11.25	Limited	
2025/26 Reviews								
Tree Preservation Orders	DCE	08.11.24	17.01.25	27.05.25	31.07.25	09.09.25	Reasonable	
Car Parking	HofH&C	15.05.25	13.06.25	30.06.25	15.09.25	15.10.25	Reasonable	
Environmental Health – Houses in Multiple Occupation	HofH&C	13.05.25	12.06.25	09.07.25	27.10.25	11.02.26	Reasonable	
Development Management	HofPD	08.05.25	04.06.25	13.06.25	01.08.25	16.09.25	Reasonable	
Climate Change Strategy	HofPD	01.09.25	17.09.25	03.11.25	14.01.26	12.02.26	Reasonable	
Procurement	ADCS	18.07.25	30.07.25	27.08.25	11.11.25	18.11.25	Substantial	
Council Tax	DofCS	09.07.25	31.07.25	05.08.25	21.10.25	18.11.25	Reasonable	
National Non-Domestic Rates	DofCS	23.07.25	01.08.25	19.08.25	22.10.25	18.11.25	Reasonable	
Fees and Charges	DofCS	22.10.25	28.11.25	15.12.25	18.02.25			
IT – Cyber Security (Patch Management)	HofICT	06.11.25	02.12.25	29.01.26				
Follow Up – Information Governance	ADCS	N/A	05.02.26	10.02.26				
Follow Up – IT Cyber Security (Training and Awareness)	HofICT	N/A	19.11.25	23.02.25				

Audit Review	Sponsor	Scoping Held	ToR Issued	Fieldwork Start	Draft Report	Final Report	Assurance Opinion	Comment
HR – Organisational Capacity/Resilience	HofP&OD	20.01.26	10.02.26					

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
HofICT	Head of ICT		

8. Adjustment to the Internal Audit Plan 2025-26

Internal Audit focus continues to be proportionate and appropriately aligned. The plan remains fluid and subject to on-going review and amendment, in consultation with the relevant audit sponsors, Senior Management, and Audit and Scrutiny Committee, to ensure internal audit are able to react to new and emerging risks and the changing needs of the Council.

Such amendments to the 2025-26 internal audit plan are detailed below with explanations for the proposed amendments.

Additions	Audit Review	Reason for inclusion in the plan
	None	
Withdrawals	Audit Review	Reason for removal from the plan
	None	

9. Acceptance of Risk

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

Every effort will be made to resolve disagreements that may arise during the audit process. However, if, unresolved issues are considered by internal audit to fall outside of the Council’s risk tolerance, these will be escalated to Senior Management and Audit and Scrutiny Committee as deemed necessary.

There are no such instances to report from our delivery of the 2025–26 internal audit plan to date.

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

Title: HR Use of Volunteers		
Audit Sponsor	Assurance opinion	Management Actions
Head of People and Organisational Development	 Limited	 0 High  11 Medium  4 Low

Summary of key observations:

There are various models of volunteering utilised by a number of services throughout the Council, ranging from informal and ad hoc volunteering models through to more formal role-based methods. The purpose of this audit was to review the arrangements to manage the use of formal role-based volunteers covering the three service areas that utilise this method - Countryside Team, The Community Centre and the Playhouse.

Whilst positively at a corporate level we were able to confirm that to comply with Health and Safety protocols and to ensure lessons are learnt, incidents and accidents are reported, recorded and shared at the quarterly Health and Safety briefings for all volunteers with the Council. We were also able to confirm that to provide protection against liability, volunteers for the Council are covered by the Council’s insurance.

Within the Countryside Team we were able to positively confirm that to reduce the likelihood of accidents and incidents, equipment used and tasks carried out are subject to risk assessments. Additionally, an overarching risk assessment is completed for the organising and running of volunteer tasks. Also, to reduce the likelihood of accidents and incidents and to ensure volunteers are informed of the correct procedures, a Health and Safety talk is carried out by a paid member of staff from the Countryside Team that accompanies the Thursday volunteers. We also confirmed that volunteers are issued with Personal Protection Equipment. To ensure each task is adequately resourced in terms of equipment and volunteers required, the Countryside Officer creates a task programme for the volunteers that attend on a Thursday.

For the Playhouse we were able to positively confirm that prior to each performance, the Stewards have a meeting with the House Manager in the auditorium to review the fire evacuation procedure and test headsets.

For the Community Centre we were able to positively confirm that to ensure effective communication, the Manager at the Community Centre will relay any messages to volunteers that are pertinent to their role.

We also confirmed across all three areas that information relating to volunteers is held securely.

However, we identified that there is no overall policy in place for the use of volunteers, and this has led to inconsistencies in approach. Additionally, across all three areas we identified incomplete recruitment processes and training records.

There is a lack of formal and documented rotas/supervision records across the Playhouse and Community Centre, resulting in an absence of records showing which paid staff and volunteers are present on any given day. Additionally, across these two areas we also found that health and safety risks assessments were incomplete.

Within the Countryside Team no records were maintained of the issue of tick removal equipment and for the cattle checkers a log of the issue and return of keys.

Management actions have been identified that, once implemented, will assist in mitigating the risks/issues identified.

11. Analysis of 'Live Audit Reviews' (January 2026)

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions												
				Agreed			Pending			Complete			Overdue			
				L	M	H	L	M	H	L	M	H	L	M	H	
2021/22 Reviews																
Information Security	30.05.2022	HofICT	Reasonable	2	2	1				1	2	1	1			
Affordable Housing Delivery	03.01.2023	HofH&C	Limited		7	7					6	7		1		
2024/25 Reviews																
Housing Allocations Policy	12.05.2025	HofH&C	Reasonable	5			1			2			2			
Playground Maintenance	27.08.2025	HoPD	Limited		3	3					1	2		2	1	
HR Use of Volunteers	06.11.2025	HofP&OD	Limited	4	11		1	6			2		3	3		
Payroll	13.11.2025	HofP&OD	Reasonable	2	2			1		2	1					
Safeguarding	27.03.2025	HofH&C	Reasonable		5			1			4					
2025/26 Reviews																
Tree Preservation Orders	09.09.2025	HofDM&E	Reasonable		3	1					2	1		1		
Council Tax	18.11.2025	DofCS	Reasonable	2	8			3		2	5					
National Non Domestic Rates	18.11.2025	DofCS	Reasonable	1	4		1	1			3					
Environmental Health – Houses in Multiple Occupation	11.02.2026	HofH&C	Reasonable	3	1	1	3		1		1					
Climate Change Strategy	12.02.2026	HofP&OD	Reasonable	3	4	3	3	4	3							
Exempt/Restricted Items				3	18	6				3	12	6		6		
Total				25	68	22	9	16	4	10	39	17	6	13	1	

Overdue 'High Priority' Management Action

Playground Maintenance – Limited Assurance

Observation:

Whilst our review has found that there is an established process in place regarding inspections and maintenance, there is no agreed policy to confirm the current approach. There are also no documented procedures for staff to follow and therefore the current process is reliant on the team's knowledge and awareness and if anything did change there is a risk that these standards are not retained.

We were advised that the risk rating of repair works is mirrored to the criteria provided within the RoSPA training and whilst this appears reasonable, without this being documented there is no evidence to confirm this aligns with the Council's overall risk tolerance. By documenting this process and clearly expressing within policy and procedure documentation this could help to ensure consistency.

In addition, no documented strategy is in place to set the overall direction and objectives of the service.

Risk:

Provision and/or availability of playground equipment does not align with need or with current safety or accessibility standards. If roles and responsibilities are not defined, staff may be unaware of the tasks to be undertaken and inconsistencies could occur.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Develop an overall strategy to set the direction and objectives of the service.	30.09.2025	31.03.2026	On hold as advised by Deputy Chief Executive due to LGR.

Overdue 'Low & Medium Priority' Management Actions

Audit Review	Report Date	Opinion	Priority		Due Date	Revised Due Date
			Low	Medium		
IT Information Security			Low		31.12.2022	30.05.2024 01.09.2024 31.12.2024 28.02.2025 28.03.2025 31.08.2025 31.10.2025 TBC
Affordable Housing Delivery *	03/01/2023	Limited		Medium	31.12.2024	31.12.2025 30.04.2026
Housing Allocations Policy	12/05/2025	Reasonable	Low		30.09.2025	31.10.2025 31.03.2026
			Low		30.09.2025	28.10.2025 31.03.2026
Use of Volunteers	06/11/2025	Limited	Low		31.12.2025	28.02.2026
			Low		31.12.2025	28.02.2026
			Low		31/12/2025	28.02.2026
				Medium	31.01.2026	28.02.2026
				Medium	31.01.2026	28.02.2026
Playground Maintenance	27/08/2025	Limited		Medium	31.10.2025	31.03.2026
				Medium	31.10.2025	31.03.2026
Tree Preservation Orders	09/09/2025	Reasonable		Medium	31.10.2025	30.04.2026
Total			6	7		

* The likelihood is that this outstanding management action will not be implemented as it can only be considered once the local plan has been adopted and therefore timing may be prohibitive in light of LGR.

Southern Internal Audit Partnership - Performance Measures

Performance Measure	Regularity	Target	Actual 25/26	Status	Direction of Travel
1. Percentage of the agreed audit plan completed (issue of draft / final report)	Ongoing	90%	61% *		
2. Audits delivered within agreed timescales (% year to date)					
o To issue of draft report	Ongoing	80%	25% *		
o To issue of final report	Ongoing	80%	16% *		
3. Conformance with the Global Internal Audit Standards in the UK Public Sector	Annual	Generally conforms	Generally conforms		
4. Audits conducted optimising the effect use of data analytics (% year to date)	Ongoing	60%	60% *		n/a
5. Stakeholder satisfaction (annual survey)					
o Audit Committee	Annual	90%	99%		
o Senior Management		90%	99%		
o Key Contacts		90%	97%		
6. Internal audit effectively communicates with key stakeholders					
o Audit Committee	Annual	90%	99%		n/a
o Senior Management		90%	99%		n/a
o Key Contacts		90%	97%		n/a
7. Sufficiency of input to and discussion of the internal audit plan					
o Audit Committee	Annual	90%	97%		n/a
o Senior Management		90%	98%		n/a
8. Appropriate focus on key risks					
o Audit Committee	Annual	90%	97%		n/a
o Senior Management		90%	100%		n/a
o Key Contacts		90%	97%		n/a

* Cumulative through the year

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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 document is included on the private agenda pack and has not been published publicly:

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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COMMITTEE WORK PROGRAMME – MARCH 2026

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author:	Will Mace, Corporate Governance & Strategy Manager
Wards affected:	(All Wards)
Appendices (attached):	None

Summary

This report presents the Committee with its rolling 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/ieListMeetings.aspx?CId=205&info=1&MD=Constitution> [Last accessed 29/08/2025]

² See *Council Operating Framework, Annex 4.6: Overview, Audit and Scrutiny*, p.1. Online available: <https://www.epsom-ewell.gov.uk/council/about-council/governance/council-operating-framework> [Last accessed 28/11/2025].

³ See *Constitution of Epsom and Ewell Borough Council: Appendix 3 – Terms of Reference for Full Council and Committees*. Online available: [Epsom and Ewell Democracy](https://democracy.epsom-ewell.gov.uk/ieListMeetings.aspx?CId=205&info=1&MD=Constitution) [last accessed 29/08/2025].

2.2 Work Programme:

Meeting		Agenda
Present	19 March 2026	<ul style="list-style-type: none"> • Internal Audit: Annual Plan 2026-2027, and Internal Audit Charter • Internal Audit: Progress Report • Internal Audit: External Quality Assessment – Results • Financial Strategy Advisory Group (FSAG) Annual Treasury Management Report • Performance and Risk Report – March 2026 • Committee Annual Report 2025-2026 (to be presented to Full Council) • Regulation of Investigatory Powers Act (2000) (RIPA) Annual Report* • Annual Complaints Report • Annual Procurement Waiver Report 2025 • Placeholder: External Audit Update, 25/26 Audit Plan • Placeholder: Local Government and Social Care Ombudsman (LGO) and Information Commissioner’s Office (ICO) Updates – March 2026* • Placeholder: Priority Projects Update* • Councillor Ames Report Request* • Work Programme
Future	16 July 2026	<ul style="list-style-type: none"> • Annual Internal Audit Conclusion 2025-2026 • Internal Audit: Progress Report • Annual Governance Statement 2025-2026 • Performance and Risk Report: 2025-2026 End of Year Report • Use of Urgent Decisions Annual Report <ul style="list-style-type: none"> ○ To include only scrutiny of the urgent decision process followed for UD158 (as per meeting 19 March 2026)* • External Audit Transparency Report* • Placeholder: External Audit Update – 2025-2026 Audit Plan • Placeholder: Local Government and Social Care Ombudsman (LGO) and Information Commissioner’s Office (ICO) Updates – July 2026

		<ul style="list-style-type: none"> • Local Government and Social Care Ombudsman Annual Letter 2025-2026 • Placeholder: Priority Projects Update* • Work Programme
Future	29 September 2026	<ul style="list-style-type: none"> • Revenue Budget Monitoring – Quarter 1 (2026-2027) • Capital Budget Monitoring – Quarter 1 (2026-2027) • Internal Audit: Progress Report • Performance and Risk Report - September 2026 • Placeholder: External Audit Update – 2025-2026 Audit Plan • Placeholder: Local Government and Social Care Ombudsman (LGO) and Information Commissioner’s Office (ICO) Updates – September 2026 • Work Programme
Future	12 November 2026	<ul style="list-style-type: none"> • Revenue Budget Monitoring - Quarter 2 (2026-2027) • Capital Budget Monitoring - Quarter 2 (2026-2027) • Internal Audit: Progress Report • Code of Corporate Governance Annual Review • Counter-Fraud and Whistleblowing Annual Report (inc. gifts and hospitality) • Placeholder: Local Government and Social Care Ombudsman (LGO) and Information Commissioner’s Office (ICO) Updates – November 2026 • Work Programme
Future	4 February 2027	<ul style="list-style-type: none"> • Final Revenue Budget Monitoring – Quarter 3 (2026-2027) • Final Capital Budget Monitoring – Quarter 3 (2026-2027) • Final Community Safety Partnership Annual Report • Final Equity, Diversity and Inclusion Annual Report • Performance and Risk Report – February 2027 • Placeholder: External Audit Update • Placeholder: Local Government and Social Care Ombudsman (LGO) and Information Commissioner’s Office (ICO) Updates – February 2027 • Work Programme

Future	<p>18 March 2027</p> <p><i>Subject to Local Government Reorganisation</i></p>	<ul style="list-style-type: none"> • Internal Audit: Annual Plan 2027-2028 and Internal Audit Charter* • Final Internal Audit: Progress Report • Final Internal Audit: External Quality Assessment – Results • Final FSAG Annual Treasury Management Report • Final Performance and Risk Report – March 2027 • Final Committee Annual Report 2026-2027 (to be presented to Full Council) • Final Regulation of Investigatory Powers Act (2000) (RIPA) Annual Report • Final Annual Complaints Report • Final Annual Procurement Waiver Report 2026 • Final Placeholder: External Audit Update • Final Placeholder: Local Government and Social Care Ombudsman (LGO) and Information Commissioner’s Office (ICO) Updates – March 2027 • Final Placeholder: Priority Projects Update • Final Work Programme
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- 2.3 Work Programme Requests: there have been no additional Work Programme requests since the last Committee meeting.
- 2.4 Any additional Work Programme items, i.e. items that are not the Committee’s business as usual work, are subject to the council being able to resource the request, namely due to Local Government Organisation.
- 2.5 Updates to the Work Programme ***
- 2.6 March 2026:
- 2.6.1 The Committee agreed at the February 2026 meeting that the RIPA report for March 2026 is removed as the council does not currently carry out RIPA surveillance and in the previous years there has been nothing to report.
- 2.6.2 Local Government and Social Care Ombudsman (LGO) and Information Commissioner’s Office (ICO) Updates: There are no updates for the March 2026 meeting.
- 2.6.3 Priority Projects Update: This report could not be resourced for the March meeting and has been moved to July 2026.

2.6.4 Councillor Ames Report Request: The Committee agreed this addition to the Work Programme at the February 2026 meeting, and the report has been assigned to an officer. The report could not be resourced for March 2026 and has been moved to July 2026. It has been re-titled to: External Audit Transparency Report.

2.7 July 2026

2.7.1 Use of Urgent Decisions Annual Report: The Committee agreed to add scrutiny of the process followed for Urgent Decision 158 at the February 2026 meeting. It is proposed that this be included in the annual Urgent Decision Scrutiny report in July 2026, as it cannot be resourced for the March 2026 meeting.

2.8 March 2027

2.8.1 Internal Audit: Annual Plan 2027-2028 and Internal Audit Charter: This report may not be required due to Local Government Reorganisation.

3 Call-in Requests

3.1 No Call-in requests have been received since the last Committee meeting.

3.2 At the [February 2026 meeting](#), the Committee considered the call-in of a decision made by the Community and Wellbeing Committee, under Agenda Item No 4 “Options for the Future of the Museum” (13th January 2026 meeting). The Committee resolved that the decision be referred to the relevant policy committee with a view to its being withdrawn / rescinded.

3.3 The Call-in decision was reviewed by the Community and Wellbeing on 25th February 2026.

4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

4.1.1 No direct implications arising from this report.

4.2 Crime & Disorder

4.2.1 See this meeting’s agenda.

4.3 Safeguarding

4.3.1 No direct implications arising from this report.

4.4 Dependencies

4.4.1 The committee does rely on some of the council's partners, and other committees, such as internal and external audit, and the Community Safety Partnership to fulfil the Work Programme.

4.5 Other

4.5.1 No other direct implications arising from this report.

5 Financial Implications

5.1 None for the purposes of this report.

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

6 Legal Implications

6.1 None for the purposes of this report.

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

7 Policies, Plans & Partnerships

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

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

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

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

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

8 Background papers

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

Previous reports:

- Work Programme, *Audit and Scrutiny Committee*, 5th February 2026. Online available: [Work Programme - February 2026.pdf](#) [last accessed 13/02/2026].

Other papers:

- None.