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Democratic Services

AUDIT AND SCRUTINY COMMITTEE

Thursday 16 July 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 Steve Bridger (Chair)
Councillor Phil Neale (Vice-Chair)
Councillor Chris Ames
Councillor Christine Cleveland
Councillor Tony Froud
Councillor James Lawrence
Councillor Steven McCormick
Councillor Darren Talbot

Yours sincerely

Chief Executive

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

EMERGENCY EVACUATION PROCEDURE

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- 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, 9 July 2026**.

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, 15 July 2026.**

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

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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 - 12)

The Committee is asked to confirm as a true record the Minutes of the Meeting of the Committee held on the 19 March 2026 (attached) and to authorise the Chair to sign them.

4. PERFORMANCE AND RISK REPORT: 2025-2026 END OF YEAR REPORT (Pages 13 - 70)

This report provides an overview of the council's performance at the end of the financial year with respect to its ongoing annual plan 2024/25 actions, key performance indicators, corporate risks, committee risks, and annual governance statement actions.

5. LOCAL GOVERNMENT & SOCIAL CARE OMBUDSMAN ANNUAL REVIEW LETTER AND INFORMATION COMMISSIONER'S OFFICE UPDATES (Pages 71 - 80)

This report provides the annual review of complaints received and decisions made by the Local Government and Social Care Ombudsman (LGO) between April 2025 and March 2026 inclusive, including details of two complaints upheld by the LGO. This report also provides an update on data breaches and the way the council handles data complaints as a result of updated legislation.

6. ANNUAL GOVERNANCE STATEMENT 2025-2026 (Pages 81 - 108)

The Annual Governance Statement ("Statement") is an important document which provides assurance concerning the Council's governance arrangements, both financial and non-financial. It is prepared on an annual basis for inclusion in the Statement of Accounts.

7. USE OF URGENT DECISIONS ANNUAL REPORT (Pages 109 - 118)

In accordance with the Council's Scheme of Delegation to officers, this report sets out urgent decisions taken by officers in consultation with committee Chairs for the period 3 June 2025 to 10 June 2026. This report also includes an Appendix 2, which sets out the process followed by Urgent Decision 158.

8. EXTERNAL AUDIT TRANSPARENCY REPORT (Pages 119 - 124)

This report sets out the Council's approach to improving transparency and lessons learned from prior year external audit findings.

9. WORK PROGRAMME - JULY 2026 (Pages 125 - 130)

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

10. INTERNAL AUDIT ANNUAL CONCLUSION AND 2025-26 PLAN (Pages 131 - 162)

The purpose of this paper is to present the Annual Internal Audit Conclusion for 2025-26 (Appendix 1) in accordance with the requirements of the Global Internal Audit Standards.

Minutes of the Meeting of the AUDIT AND SCRUTINY COMMITTEE held at the Council Chamber, Epsom Town Hall on 19 March 2026

PRESENT -

Councillor Steven McCormick (Chair); Councillor Phil Neale (Vice-Chair); Councillors Chris Ames, Steve Bridger, Alison Kelly and James Lawrence (as nominated substitute for Councillor Alex Coley)

Absent: Councillor Alex Coley, Councillor Tony Froud and Councillor Jan Mason

Officers present: Andrew Bircher (Assistant Director of Corporate Services), Alex Awoyomi (Principal Solicitor), Sue Emmons (Chief Accountant), Phoebe Batchelor (Democratic Services Officer), Ade Oyerinde (External Auditor) (in attendance remotely for agenda items 1-8), Angela Guest (Democratic Services Officer) and Iona Bond (Deputy Head of Southern Internal Audit Partnership)

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51 QUESTIONS AND STATEMENTS FROM THE PUBLIC

There were no statements or questions submitted by the public.

52 DECLARATIONS OF INTEREST

Councillor Ames declared a non-pecuniary interest in that he had a code of conduct complaint against him.

Councillor Lawrence also declared a non-pecuniary interest in that he had a code of conduct complaint against him.

53 MINUTES OF THE PREVIOUS MEETING

The Committee confirmed as a true record the Minutes of the Meeting of the Committee held on **5 February 2026** and authorised the Chair to sign them.

54 ANNUAL PROCUREMENT WAIVER REPORT 2025

The Committee received a report that provided 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.

The following matters were considered:

a) **Contract Register:** In response to a Member statement that the online contract register was out of date the Assistant Director for Corporate

Services responded that the register was published every quarter and was due to be updated now. He would let Members know when this was done for this quarter.

b) **Waiver report presentation:** A Member asked why this was presented on a calendar year basis rather than the fiscal year. The report author would be asked to provide a response following the meeting.

c) Contract and Waiver details: A Member detailed several anomalies that he had picked up on when looking at previous contracts on the register, previous freedom of information details and waivers. He undertook to email further details of these to the Chair following the meeting. He asked the following questions which would be responded to following the meeting:

- why there were three highlighted waiver forms not seen as contracts in the December 2025 contracts register and
- what had changed in the contracting and waivers processes to ensure there was no repeat of the

d) **Waiver criteria:** A Member suggested that the committee could better monitor the validity of waivers if it could reference an existing criterion that were relied on when the waivers were implemented rather than typical reasons why they've been granted. The Assistant Director of Corporate Services explained the process an officer follows for seeking a waiver. The form to be completed requires very detailed information on the individual circumstances on why normal process cannot be followed and sent to directors for approval. Therefore, the aim of contract standing orders in not necessarily to capture every single circumstance but the principles behind that, with the individual circumstances being set out on the form.

e) **Carter Jonas/Rainbow Centre:** A Member queried where Carter Jonas obtained what's described as their in-depth knowledge of the structure, fabric, plant, machinery used at the centre. If the Council had carried out the necessary survey last summer prior to the handover, why could it not rely on that survey? The Assistant Director for Corporate Services explained that before the procurement exercise for the Rainbow Centre was begun Carter Jonas were commissioned to carry out a very detailed survey of the whole leisure centre, which would be used as the basis for any future tenders, and for operators to make assessments of the state of condition of the leisure centre. Hence, they had an in-depth understanding and knowledge of the leisure centre.

f) ***Correction of verbal statement made by officer:*** *At the end of the meeting the Assistant Director for Corporate services corrected his earlier verbal report that this item had been discussed previously at this Committee and confirmed that this was in fact the first time of being considered at Audit and Scrutiny Committee.*

Following consideration, it was resolved to (5 for and 1 abstention):

(1) Note the Waivers used in 2025.

55 COMPLAINTS REPORT APRIL 2025 - DECEMBER 2025

The Committee received a report that detailed Stage 1 and Stage 2 complaints received by the Council from 01 April 2025 to 31 December 2025.

The following matters were considered:

g) The Committee were happy to see a reduction in the number of planning complaints.

h) Regarding paragraph 6.3 a Member asked if there was any automation to assist with enforcements. The Assistant Director for Corporate Services explained that when an enforcement issue is raised that it is logged onto the system and is assigned a unique number as part of the enforcement process. The process has stages and reminders for when the officer needs to review but it is not infallible and requires manual input in order to create the diary tasks, so it was not an automated workflow system.

Following consideration, it was resolved to (5 for and 1 abstention):

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

56 PERFORMANCE AND RISK REPORT – MARCH 2026

The Committee received a report that 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.

The following matters were considered:

a) **Temporary accommodation:** A Member stated that the council were not really 'treating' the risk because nothing different was happening and the risk level was not changing. The Council continued to not make provision for affordable housing and the planning system was also not providing for it. The Member believed nothing was being achieved and asked if there was any progress at all being made in providing affordable housing. The Chair requested that further commentary on this be sought from the Housing Manager following the meeting.

i) **Waste Strategy:** In response to a query about how the waste service were going to handle the new Government directive of more items being recycled the Assistant Director for Corporate Services explained that there was to be detailed communication on this as well as staff training. It was expected that there may be some confusion in the early stages of

implementation. The Committee requested that the communication plan be communicated to all councillors.

j) **Tribunal Cases:** Information on when the tribunal cases were expected to be concluded to be communicated to the Committee following the meeting.

k) **(F2) Failure to balance budgets:** It was noted that this risk had not been updated. The Assistant Director for Corporate Services explained that this was a standard, generic risk that would always be a risk but that there was an improvement in that. The Committee requested that this risk commentary be updated.

l) **(PCR 21) Leisure Centre Contract:** In response to a Member query the Assistant Director for Corporate Services explained that this risk would be removed from the list as the contract had been signed.

m) **Annual Governance Statement Actions:** A Member pointed out that under the annual governance statement the actions for Councillor training review and enhancement of the Council training and development programme was postponed. However, this action was marked as completed which was not correct. The Chair requested that the commentary provide further explanation that it was not completed but postponed.

Following consideration, it was resolved to:

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

57 FSAG ANNUAL TREASURY MANAGEMENT REPORT

The Committee considered an update on the work undertaken by Financial Strategy Advisor Group with respect to the Council's Treasury Management activity over the past 12 months.

Following consideration, it was unanimously resolved to:

(3) 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.

58 EXTERNAL AUDIT UPDATE - 2025-26 AUDIT PLAN

The Committee considered the External Audit Plan for 2025/26.

The following matters were considered:

a) **Governance Framework:** In relation to appendix 2 of the report a Member questioned how the committee could be sure of the robust

governance framework as described under law and governance in the appendix. He cited several examples of areas of concern that Members had discussed recently including transparency and the constitution not being in line with the framework documents. The Chair noted the Member's comments and stated that areas of concern would come back to this committee.

b) **Assets Valuation:** There was a Member query about property and assets valuation and the risk that if something was amiss would there be time to correct it before it was handed over to the new unitary. The Chief Accountant gave a detailed description of the annual valuation process with was done by external experts and tested by external auditors. This was a lengthy and time-consuming process that gave as much assurance as possible and the new unitary would have to undertake the same exercises again.

c) **Lease Valuations:** A Member queried why work around lease valuations happened last year but not needed this year. The Chief Accountant explained that this was a new standard for last year in which new processes were put in place and the external auditor conduction strenuous testing. Going forward there would still be testing but not so rigorous.

d) **Deputy S151 Officer:** In response to a Member query, it was reported that the Chief Accountant was also the Deputy S151 Officer. A Member queried whether that should be listed on the organisation chart to which the Chair requested that officers look into that suggestion.

Following consideration, it was unanimously resolved to:

(4) 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.

(5) Receive and note the enquiries of management document as set out in Appendix 2.

59 AUDIT AND SCRUTINY COMMITTEE ANNUAL REPORT 2025-2026

The Committee received 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 covered the work of the Committee between March 2025 and February 2026.

n) Members commented that the annual plan did not give enough credit to the work that committee had done on increasing transparency. Another Member requested an additional bullet point be inserted at paragraph 3.3 to read:-

"At the September 2025 meeting, the committee received a report on management's expanded commentary on the auditor's findings after having resolved to receive such a report at the March 2025 meeting."

This was seconded and unanimously agreed by Committee.

o) It was also proposed, seconded and unanimously agreed to amend the conclusion to include:

"the Audit and Scrutiny Committee had carried out most of its work programme and wished to record its thanks to all those who contributed to its work. It was noted that some items on the work programme had not been progressed due to resource constraints and local government reform."

p) That the date of the council meeting the annual report will go to (July 2026) to be inserted as it would not go to the Annual Council in May.

q) March meeting attendees to be amended as Jan Mason did not attend.

Following consideration, it was unanimously resolved to:

(6) Note the Annual Report of the Audit and Scrutiny Committee 2025-2026 (Appendix 1) and recommend submission to Full Council with the insertion of the agreed amendments.

(7) Confirm the effectiveness of Internal Audit as per Section 2.7 of Appendix 1.

60 INTERNAL AUDIT ANNUAL PLAN 2026-2027 AND INTERNAL AUDIT CHARTER

The Committee received a report that presented the Internal Audit Charter and the Internal Audit Plan 2026-27. The Internal Audit Charter (Appendix 1) was a formal document that included 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), developed by the Chief Internal Auditor, identified the engagements and other internal audit services anticipated to be provided during a given period.

The following matters were considered:

r) The Internal Auditor confirmed that the Plan had reverted to an annual plan rather than half yearly plans. The Committee would still receive updates throughout the year. She also confirmed that the audit work for the year would need to be concluded by end of December as the conclusions report would be presented to the March 2027 meeting.

s) In response to a Member question around the Local Government Review transition process and audit reporting, the Internal Auditor confirmed that she currently reported to four of the five councils that would make up East

Surrey unitary. She could not say what the internal audit proposals were for the new unitary and that was a task for the shadow authority to make clear as part of their work.

t) In response to a Member statement about not wanting the piece of work around volunteers to be forgotten the Chair confirmed that this was on the workstream of the new shadow authority.

Following consideration, it was unanimously resolved:

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

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

61 INTERNAL AUDIT EXTERNAL QUALITY ASSESSMENT RESULTS

The Committee considered a report that provided 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.

a) The Committee thanked the auditors and officers for their good working relationships.

Following consideration, it was unanimously resolved 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).

62 INTERNAL AUDIT PROGRESS REPORT (FEBRUARY 2026)

The Committee received a report that presented the Internal Audit Progress Report 2025-26 (February 2026). The report provided 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.

The following matters were considered:

a) A Member questioned why restricted reports only referred to the relevant paragraph of Part One of Schedule 12 to the Local Government Act and not the assessment undertaken as to the public interest as set out in annex 4.4 of the Council's Operating Framework. The Principal Solicitor responded that the restriction would have been an officer decision and that it was not usual practice to include a public interest statement on restricted reports but would take this away for consideration.

Following consideration, it was unanimously resolved to:

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

63 WORK PROGRAMME - MARCH 2026

The Committee received its rolling annual Work Programme.

The following matters were considered:

b) **Changes to Work Programme:** The Committee noted the changes to the work programme as reported by the Assistant Director of Corporate Services and the Internal Auditor which included:
- The External Audit update was on the agenda for this meeting so would be removed from the next meeting.
- The September item of External Audit Update and 2025-26 Plan to be reworded to External Audit Findings Report and Auditors' Annual Report.
- The July 2026 meeting will include the Internal Audit Annual Conclusion and 2025-26 Plan. There will not be a progress report as this would be included in the conclusion report.

c) **Call-In Decision:** A Member sought an update and clarification on Community and Wellbeing Committee deferred decision. Following call-in to Audit and Scrutiny Committee a decision sheet was published. Did this decision stand and should it stay published. The Principal Solicitor undertook to seek a response following the meeting.

d) **Urgent Decisions listing:** The item on urgent decisions listed for the July meeting should refer to the February meeting and not the March meeting. This would be amended.

e) **Urgent Items Report:** A Member spoke about the slippage of some items due to officer resource going to Community Governance Review and requested that the July item on urgent items not be delayed.

Following consideration, it was unanimously resolved to:

(10) Note and agree the ongoing Work Programme as presented in Section 2.

The meeting began at 7.30 pm and ended at 9.44 pm

COUNCILLOR STEVEN MCCORMICK (CHAIR)

PERFORMANCE AND RISK REPORT (End of Year) – JULY 2026

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Will Mace, Corporate Governance and Strategy Manager; Ian Wood, Performance and Risk Officer
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 – Quarter 4 2025/26 Corporate Performance Report (End of Year)

Summary

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

Recommendation (s)

The Committee is asked to:

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

1. Reason for Recommendation

1.1 The terms of reference for this committee includes the responsibility for reviewing the performance of the council and evaluating and monitoring progress on whether expected outcomes are being achieved in accordance with the council's strategic plans.

1.2 This report has been brought to the committee to aid its members in meeting these objectives.

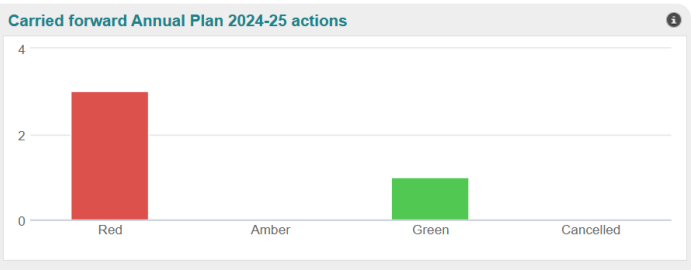
1. Background

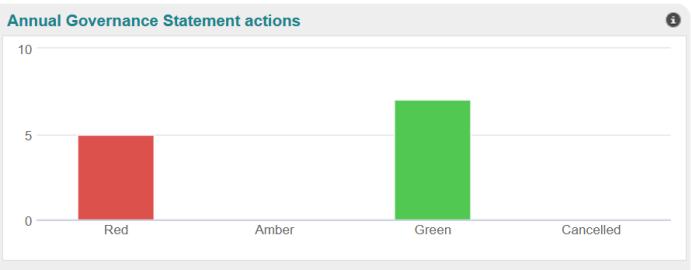
1.1. The report in Appendix 1 provides the Quarter 4 2025-26 progress update. It consists of the outstanding annual plan 2024-25 actions, the latest key performance indicators, the corporate risk register, the policy committee risk registers, and the Annual Governance Statement (AGS) actions. The AGS actions include both outstanding actions from 2023-24 and those approved by the Audit and Scrutiny

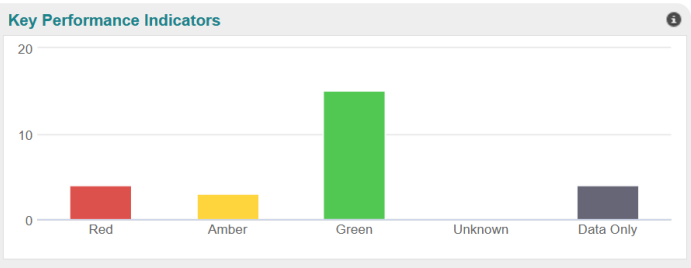
Committee on 17 July 2025.

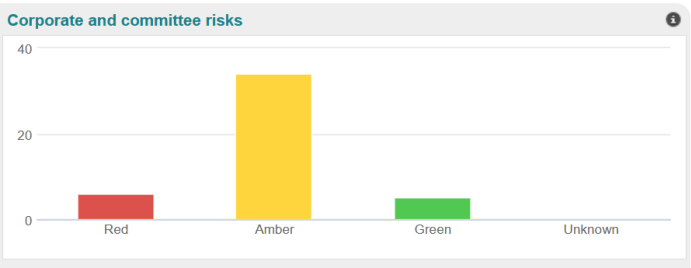
1.2. To date, the Committee has received three interim corporate performance reports for 2025-26. Appendix 1 provides the end of year update on the carried over annual plan objectives from last year, key performance indicators, the corporate risk register, the policy committee risk registers, and AGS actions.

1.3. The table below presents the summary dashboard (as at 3rd June 2026) from Appendix 1. Please note that key performance indicator information is provided on a quarterly basis, unless stated otherwise in Appendix 1. The other performance and risk information is the latest update at the time of this report's writing. Further details can be found in Appendix 1









1.4. Carried forward Annual Plan 2024-25 actions

1.5. There are three remaining actions in Quarter 4. Two of these actions are red (i.e. more than 3 months behind schedule): deliver the ICT Strategy's 2024-25 road map objectives, and implement programme of 'modular homes'.

1.6. The remaining action which is about delivering the in-year objectives of the Community Safety Action Plan has been completed (blue).

1.7. For the latest detailed updates, please see Appendix 1.

1.8. Annual Governance Statement (AGS) actions

1.9. One of the four 2023-24 AGS actions are complete, two are on schedule, and the fourth is 'off track'.

1.10. Three of the eight 2025-26 AGS actions are complete and the remaining five actions are on schedule.

1.11. Any outstanding or ongoing actions will be carried forward for continuous monitoring until completion / vesting day for the new East Surrey Unitary authority (1 April 2027).

1.12. Key Performance Indicators

1.13. The majority of the Q4 indicators are on or close to target. However, the following are significantly off target (Red):

- Number of households living in nightly paid accommodation
- Parking Penalty Charge Notice appeals responded to in 10 working days
- Long term sickness absence
- Forecast Outturn vs Budget (as at 25 June)

1.14. Corporate Risks

1.15. Two risks are assessed as Red / High:

- Risk of homelessness expenditure exceeding budget provision
- Failure or interruption to IT services

1.16. Committee Risks

1.17. Four risks are assessed as Red / High:

- Inadequate budget for homelessness over medium-long term (Community and Wellbeing Committee)
- Lack of affordable housing in the Borough (Community and Wellbeing Committee)
- Lack of officer capacity related to environmental health work (Environment Committee)
- Property Portfolio (Strategy and Resources Committee)

1.18. Key

1.19. Actions:

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

1.20. 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.*

1.21. 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, *Performance and Risk Report – March 2026,* Audit & Scrutiny Committee, 19 March 2026. Online available: Epsom and Ewell Democracy [last accessed 18/06/2026].

Other papers:

- None.

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EPSOM & EWELL BOROUGH COUNCIL

Corporate Performance Report

Quarter 4
End of Year

2025-26

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	ICT Service; Strategy & Resources Committee	Deliver ICT Strategy objectives	Deliver the ICT Strategy's 2024/25 road map objectives	31-Mar-2025		Off track	• Replacement of critical network hardware has progressed, with new firewalls installed and entering operational service, improving resilience and security. • Wider network-related procurement activity has continued to ensure the council's infrastructure remains stable and supported throughout the transition period associated with the creation of the new Unitary Authority. • The softphone solution has progressed from procurement into detailed design, with high-level design	11-May-2026

No	Committee & Relevant Service	Key Deliverables	Target	Dates/Key Milestones	RAG Status	RAG Status	Commentary	Latest Update
							sessions completed with the selected supplier and implementation planning underway. • ICT activity during the quarter has focused on maintaining service continuity, reducing technical risk, and ensuring that core platforms remain fit for purpose while longer-term strategic arrangements continue to evolve.	
AP24/5.17	Community & Wellbeing Committee; Housing and Communities Service	Implement a programme of "modular homes"	• Report submitted to Strategic Leadership Team and • agreed at with relevant Policy Committee Chairs by "Completion Date".	31-Jul-2024		Off track	The programme consists of 3 homes in one location as no other sites were viable. Progression has been delayed due to a land tribunal hearing having been requested.	01-May-2026
AP24/5.23	Crime & Disorder Committee; Housing and Communities Service	Adopt and deliver the Community Safety Action Plan	• 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	
	Alert
	Warning
	OK
	Unknown
	Data Only

Long Term Trends	
	Improving
	No Change
	Getting Worse

Short Term Trends	
	Improving
	No Change
	Getting Worse

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

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	

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)	

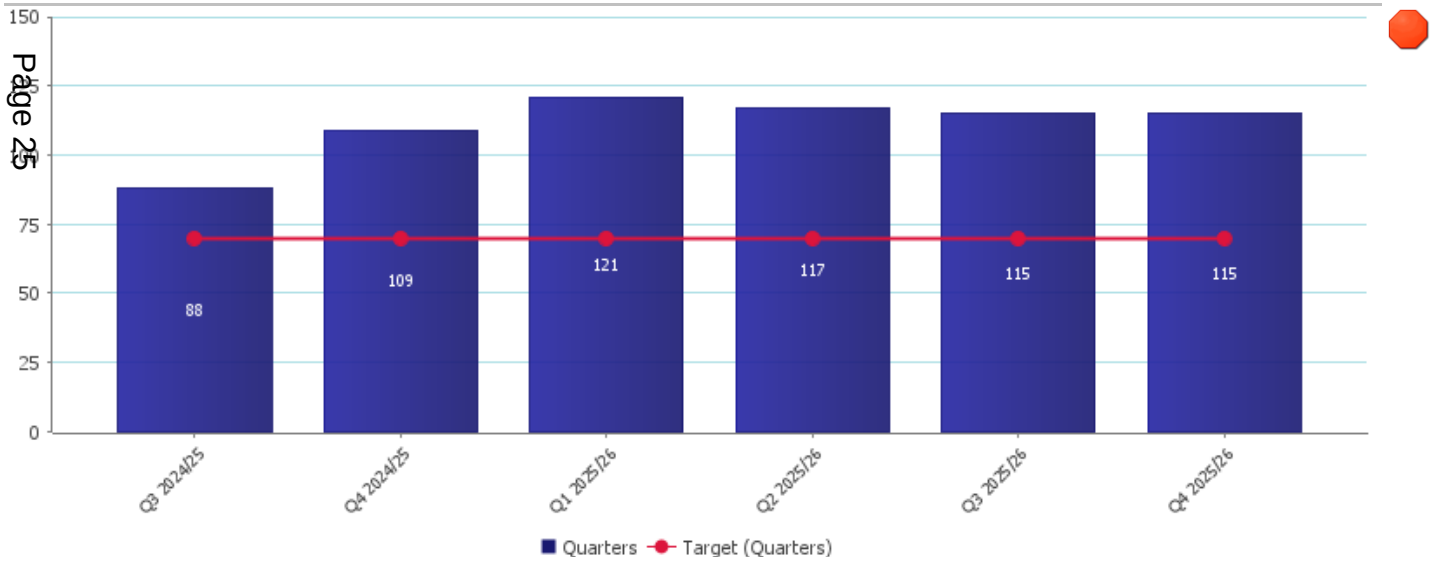
Key Performance Indicator	Status
Number of Stage 1 Complaints Received	
Number of Stage 2 Complaints Received	
Average Time Taken (days) to Process Stage One Complaints	
Average Time Taken to Process Stage Two Complaints	
Average Number of Days of Staff Sickness	
Short-term Staff Sickness (Av. no days)	
Long term sickness absence (Av. no.of days)	
Staff Turnover (voluntary)	
Council Owned Vacant Property Rate (%)	
Completion Rates for ALL Property Maintenance Works	
Completion Rate for PRIORITY 1 Property Maintenance Works	

Corporate Key Performance Indicator Charts

Traffic Light	
Red	**4**
Amber	**3**
Green	**15**
Data Only	**4**

Community & Wellbeing Committee

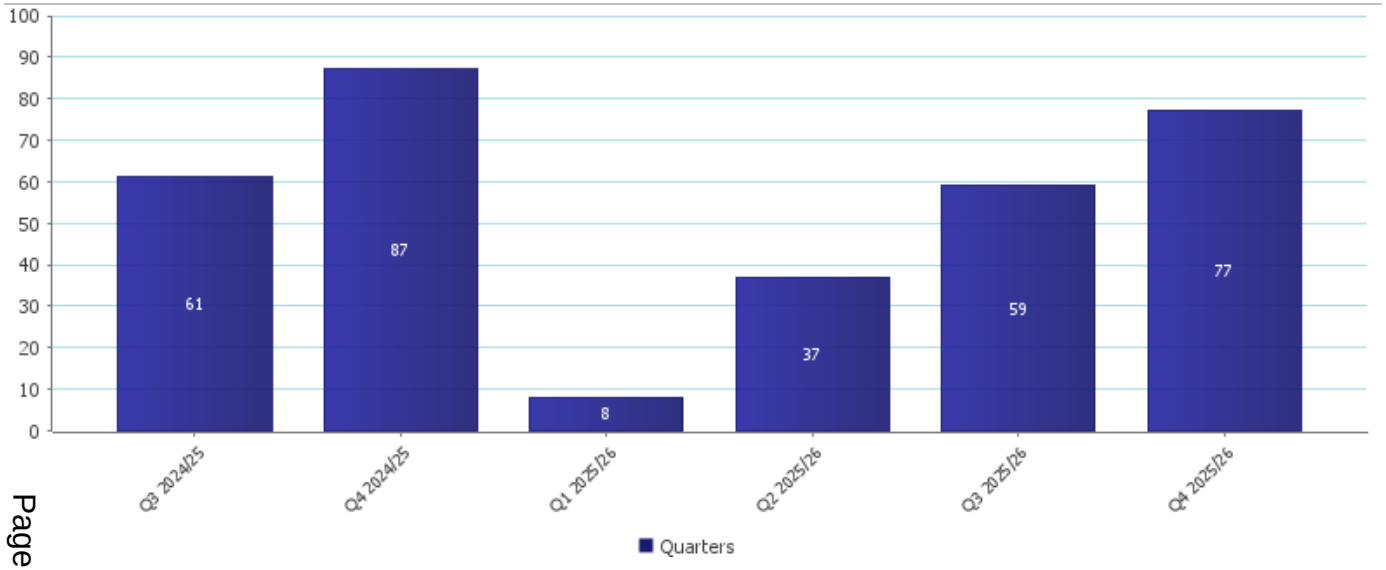
Number of Households Living in Nightly Paid Accommodation



23-Apr-2026

There has been an 82.6% increase in homelessness applications in 2025/26 compared with 2024/25, with a total of 623 applications received. While the number of households placed in nightly paid accommodation (NPA) remains above target, the overall figures have remained relatively stable, reflecting only a 5.5% increase when compared with the equivalent end-of-year (Q4) position in 2024/25.

Number of Successful Preventions From Homelessness



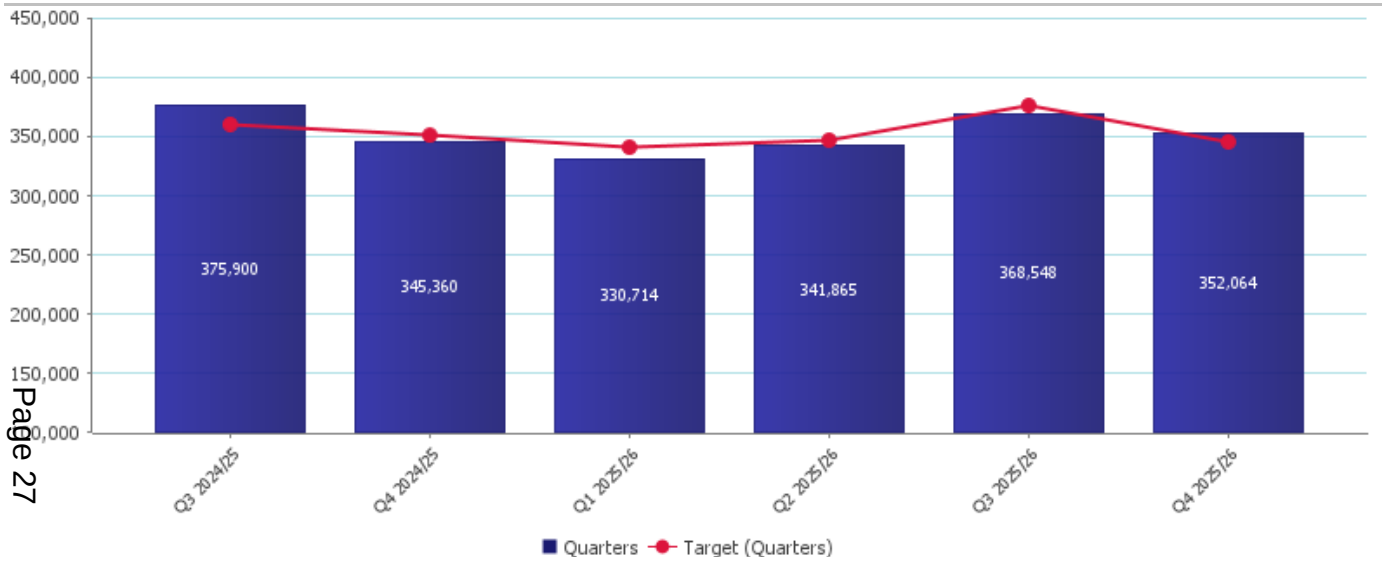
23-Apr-2026

The cumulative total of successful interventions for 2025/26 is 525. This includes 77 cases where homelessness was either prevented or relieved under statutory duties, alongside a further 448 cases where Housing Services successfully prevented homelessness through early intervention.

These figures demonstrate the effectiveness and importance of providing proactive, early advice and prevention support, as well as delivering an enhanced service model that prioritises triage and timely move-on assistance.

Environment Committee

Car Park Visitor Numbers



21-Apr-2026

Although Hook Road visitor numbers show less than the previous year the introduction of Primark gave a boost to all other car park visitor numbers in March 2026

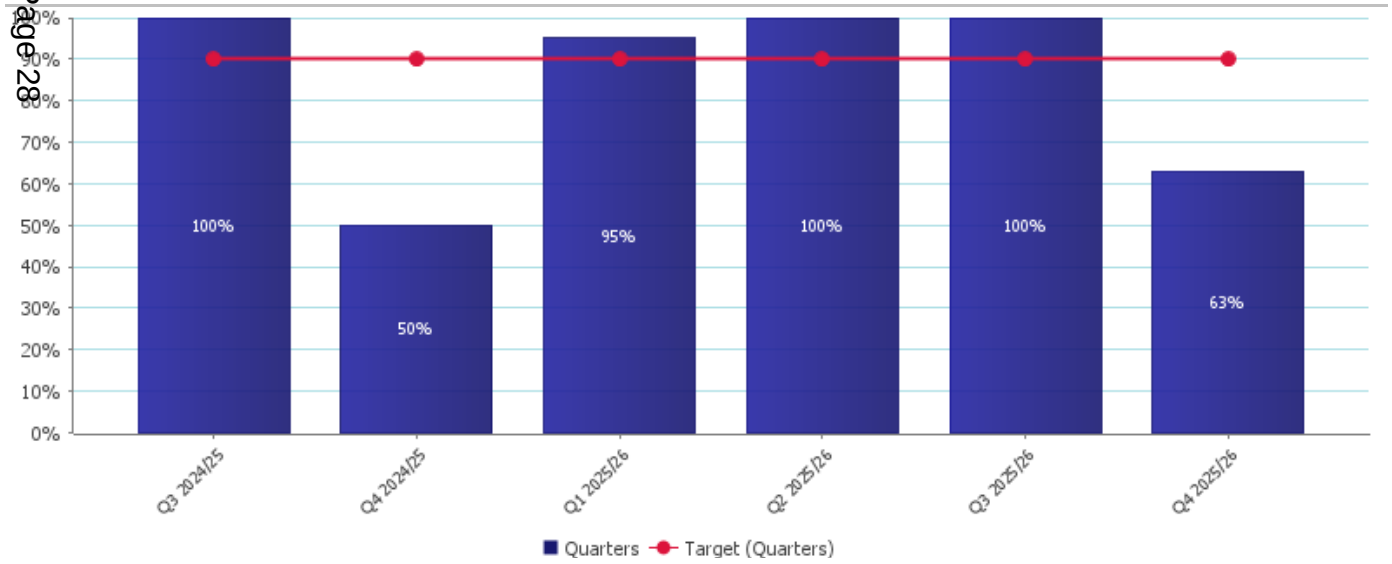
Car Park Revenue (£k)

21-Apr-2026

Parking Penalty Charge Notice Appeals Responded to in 10 Working Days

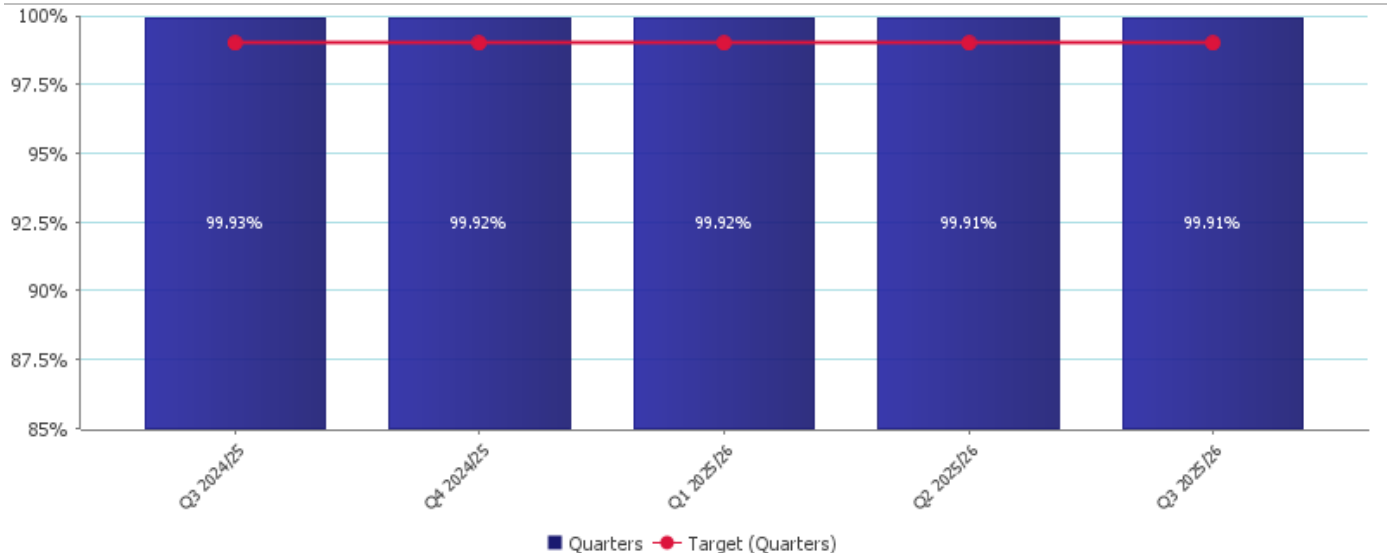
28-Apr-2026

Slippage due to parking / venues / open spaces end of year processes which require most resource to be allocated to these activities for Feb/March each year.



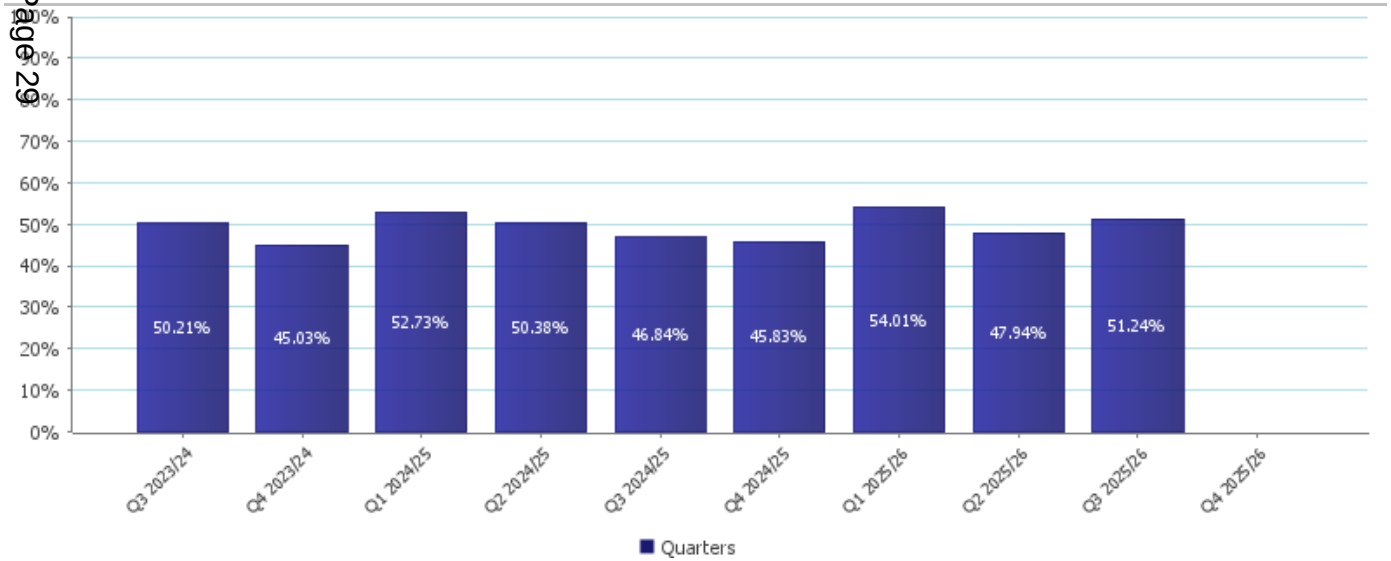
Waste Collected

23-Apr-2026



Waste Sent for Recycling

23-Apr-2026

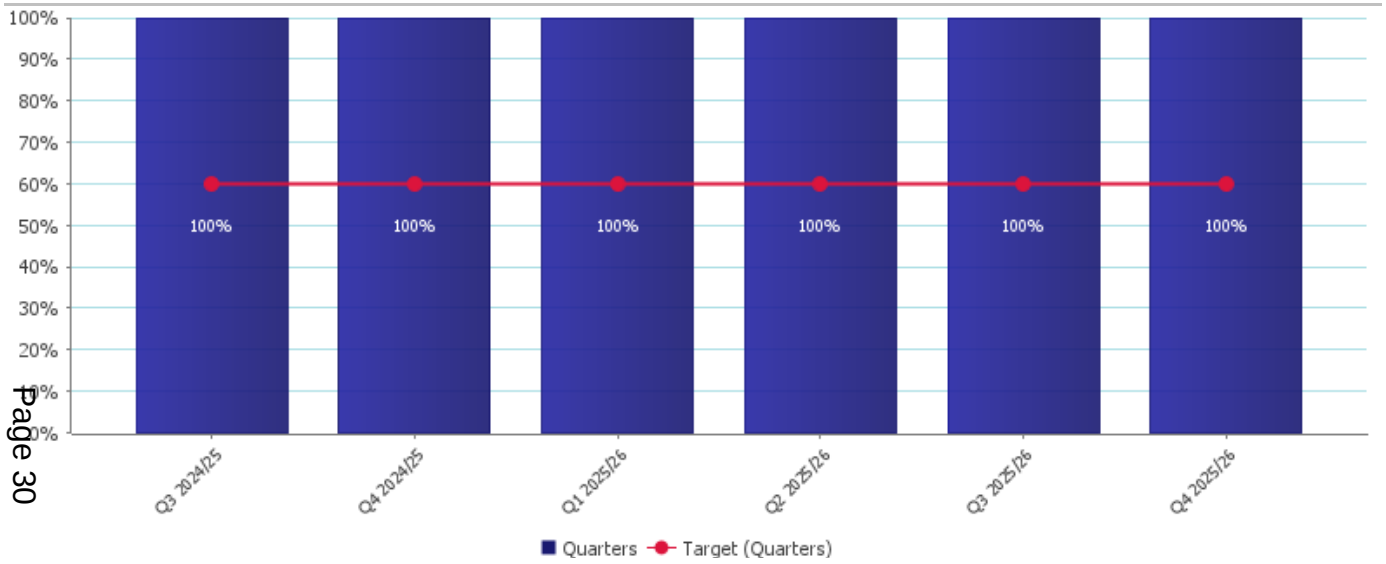


Q3 last year was 46.84%, which helps to recover the loss in Q2.

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.

Note: there is a time lag in the quarterly figures due to external validation, hence our figures are usually a quarter in arrears. Also, 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.

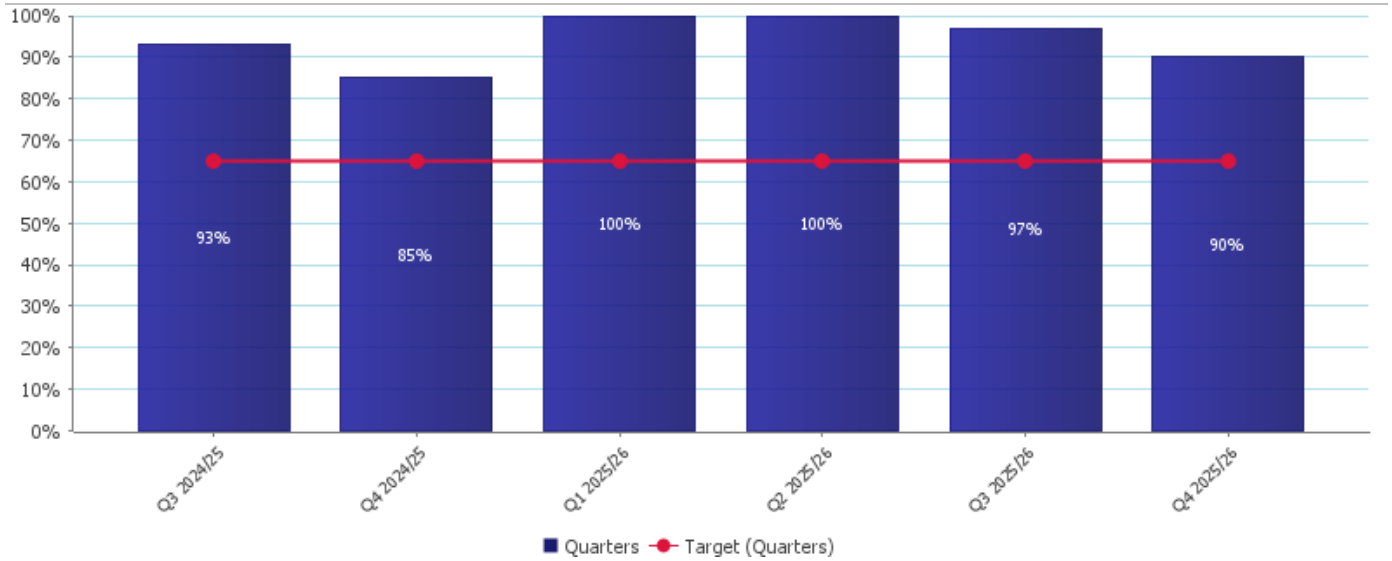
Major Planning Applications Decided in Time



21-Apr-2026

3 out of 3 major applications determined in time, with the assistance of extensions of time to account for committees and/or legal agreements. Performance across the year remained at 100% (13 major applications).

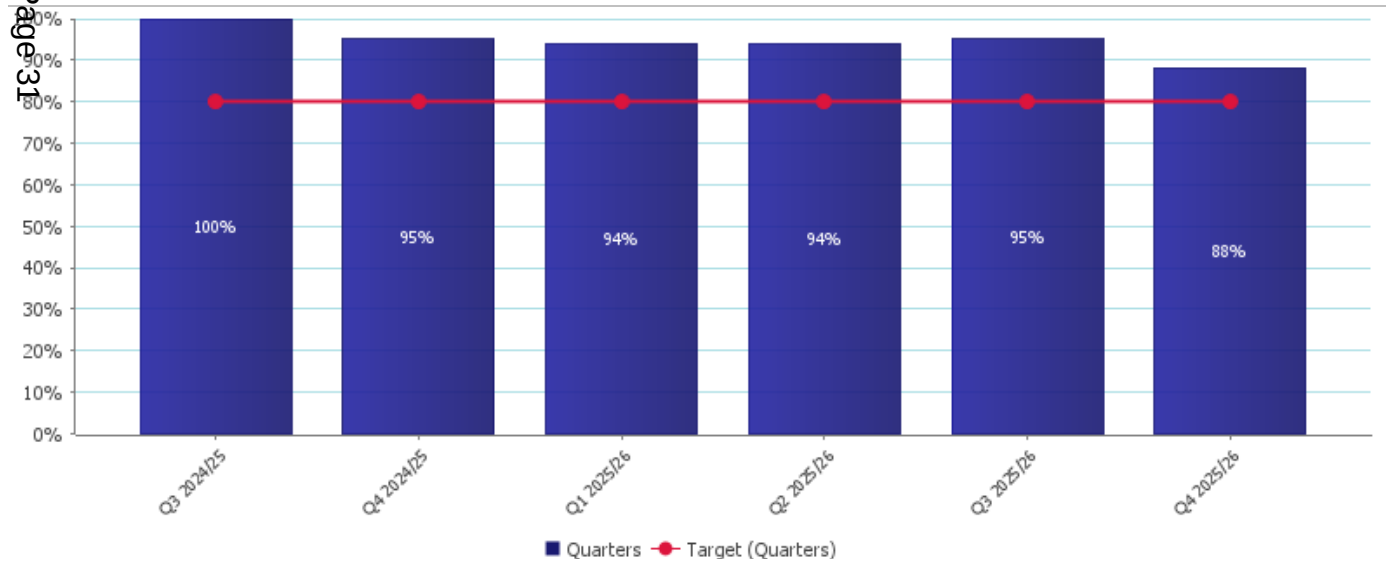
Minor Planning Applications Decided in Time



21-Apr-2026

Performance remains consistently strong despite a minor dip due to workload commitments across the Christmas/New Year period. 27 of 30 applications (90%) were determined in time through the quarter with 119 of 125 minor applications (95%) across the year determined in time.

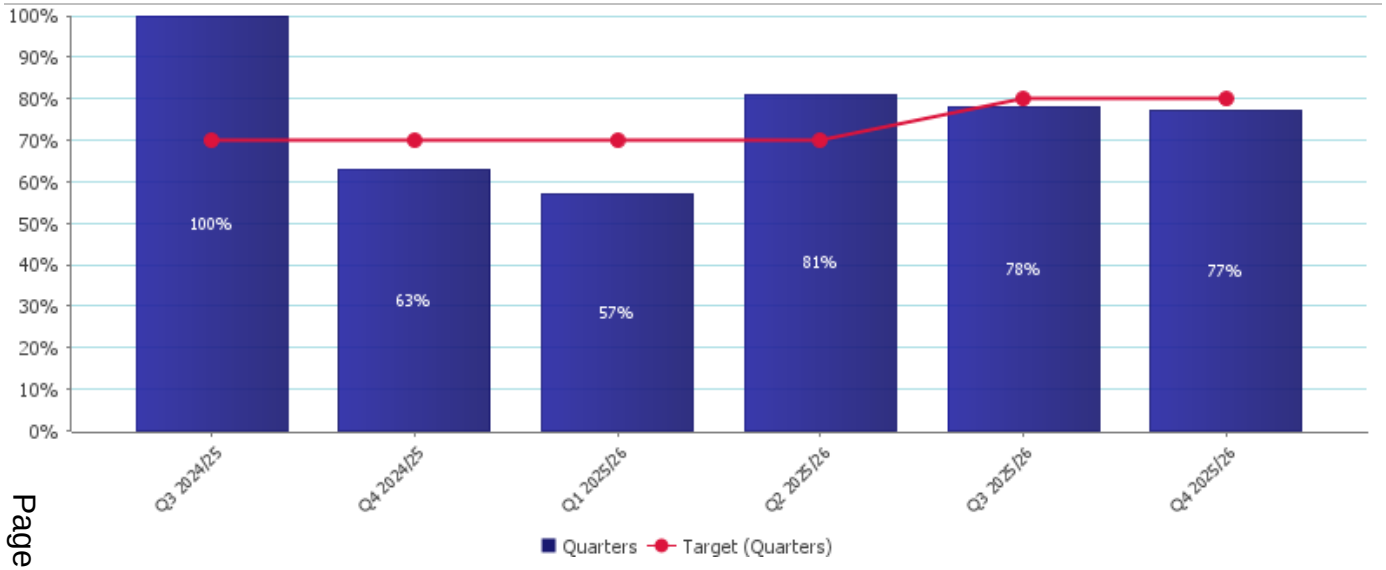
Other Planning Applications Decided in Time



21-Apr-2026

Performance dipped slightly in the last quarter due to holiday period backlogs. 104 of 118 applications were determined in time for the period. 476 of 509 applications (94%) were determined in time for the year, which is a consistently strong performance.

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

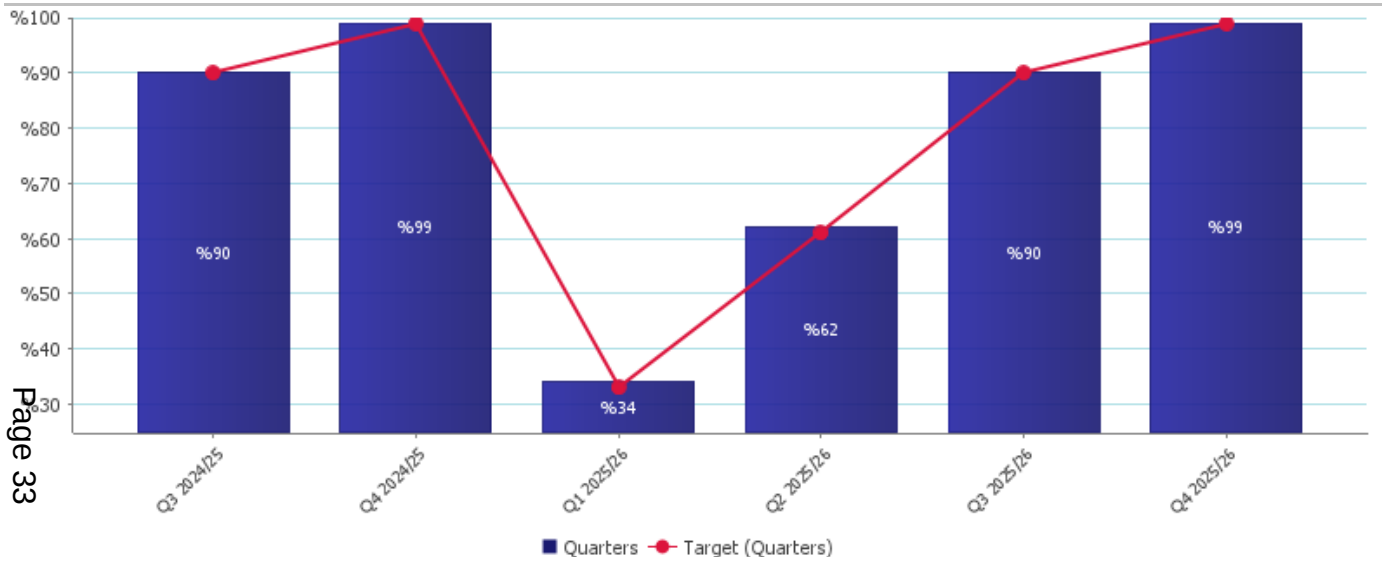


21-Apr-2026

There were 13 appeals for the quarter, with 10 dismissed. Of the 3 upheld, two were matters relating to materials and the third was a minor application, posing no real reputational harm to the Council.

There were 43 appeals through the year, inclusive of costs appeals. 8 were upheld and 35 dismissed, at a rate of 83%. No costs were awarded. This is a strong performance.

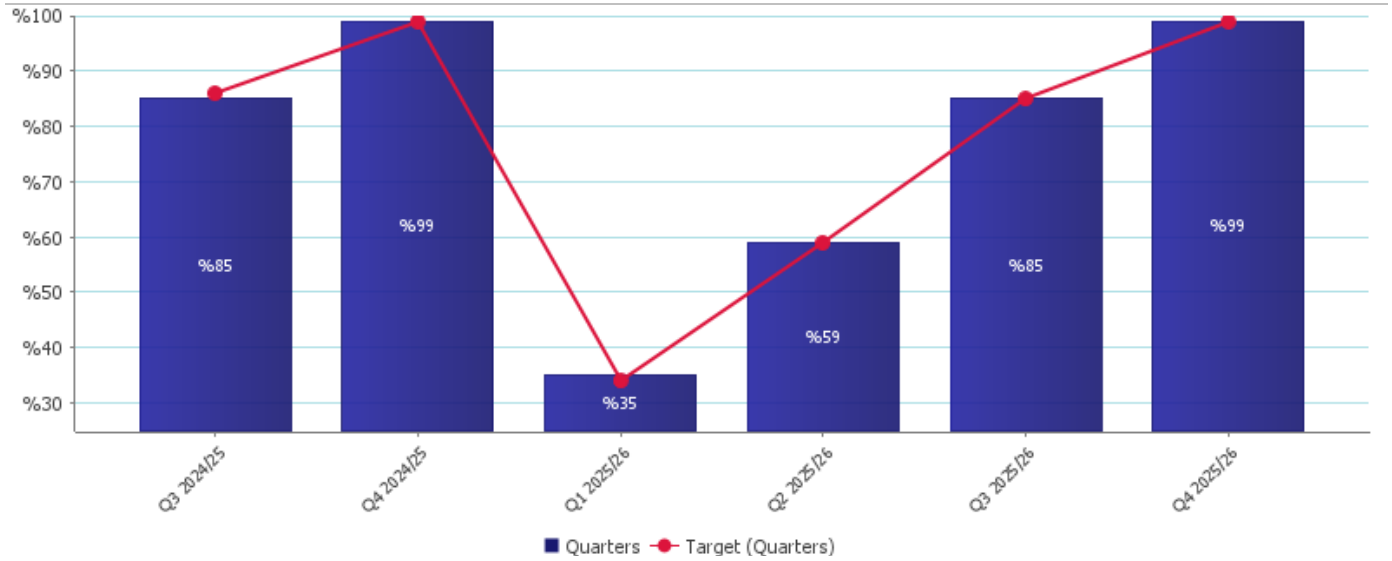
Council Tax Collected



02-Apr-2026

collection target exceeded - 98.7% for 2025/26

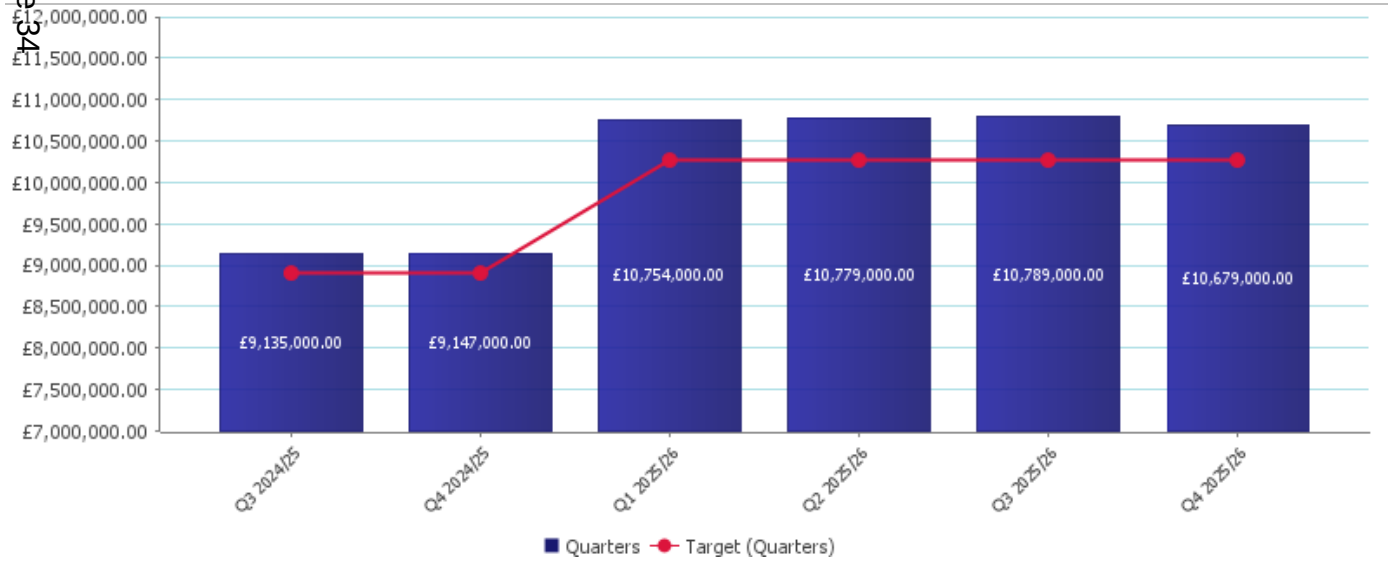
Non Domestic Rates Collected



02-Apr-2026

NDR collection exceeded - 99.1% for 2025-26

Forecast Outturn vs Budget (£m)



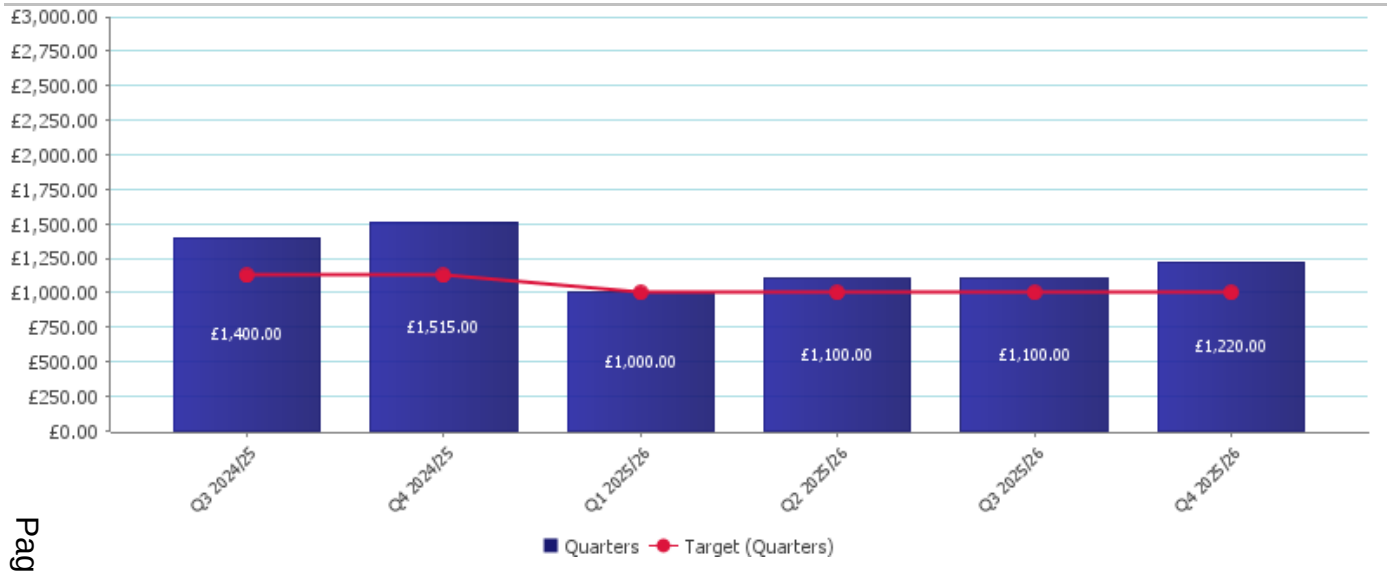
25-Jun-2026

The final outturn for 2025/26 is a £410k adverse variance, resulting in total net expenditure of £10,679k against an approved budget of £10,269k. This position has been driven primarily by cost pressures in temporary accommodation.

Notwithstanding this overspend, the position represents an improvement of £110k compared to the Quarter 3 forecast. This favourable movement reflects stronger than anticipated treasury management performance, with income approximately £100k above forecast and additional property income of around £200k arising from leases that were not finalised at the time of the Q3 projection. These gains have partially offset the pressures in other areas.

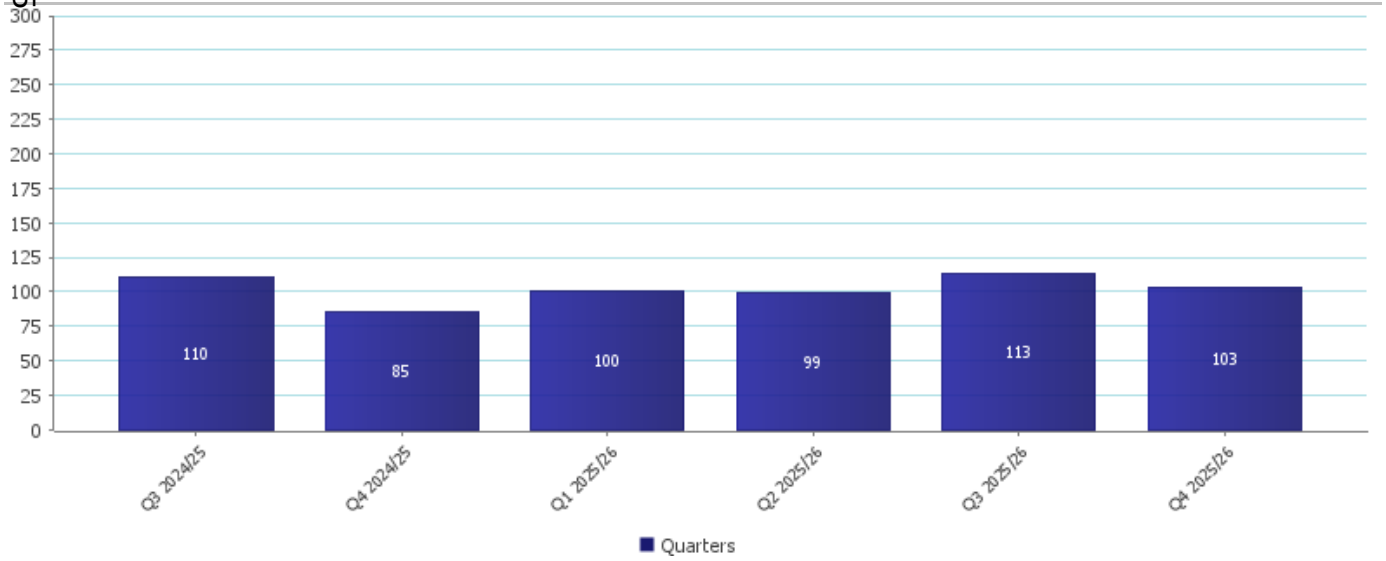
Forecast Income from Treasury Management Investment (£k)

26-Jun-2026



Number of Stage 1 Complaints Received

13-Apr-2026



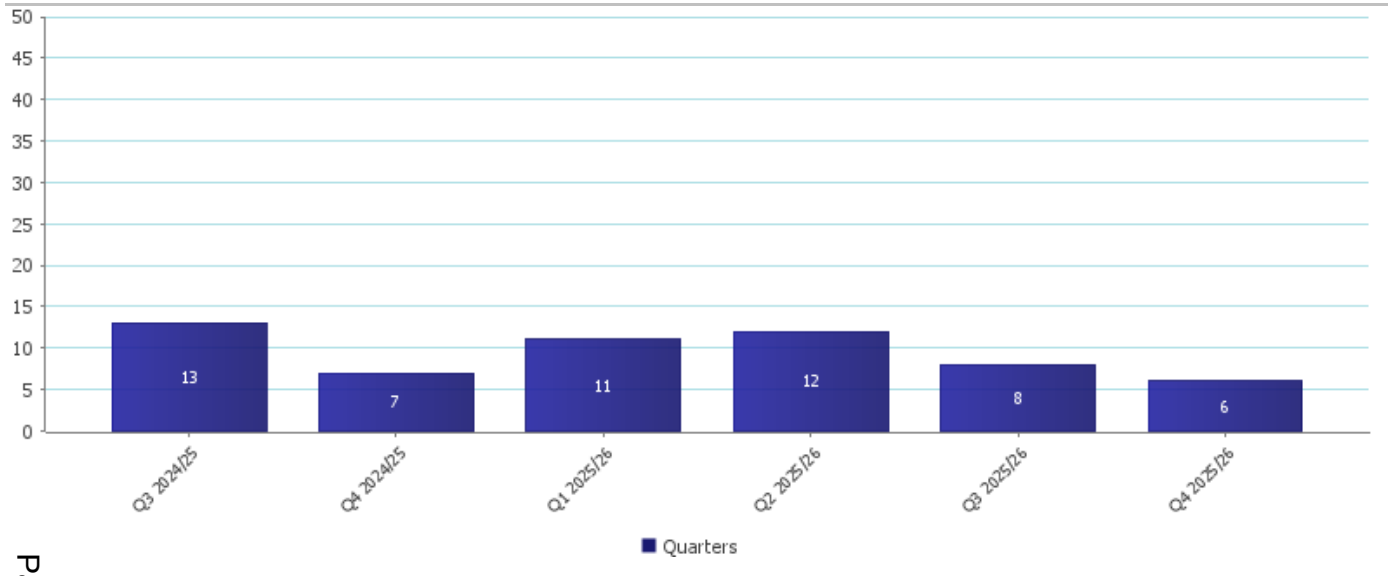
There were 103 complaints for this quarter.

Refuse and Recycling receiving the most number of complaints - the top reasons were missed bins, container delivery delays and set back of bins after collections.

The time taken to deliver bins currently is longer than usual and we are out of stock of food waste caddy's, currently until at least May time.

Complaints received by other departments were more varied in nature, with no single recurring issue identified as a significant trend.

Number of Stage 2 Complaints Received

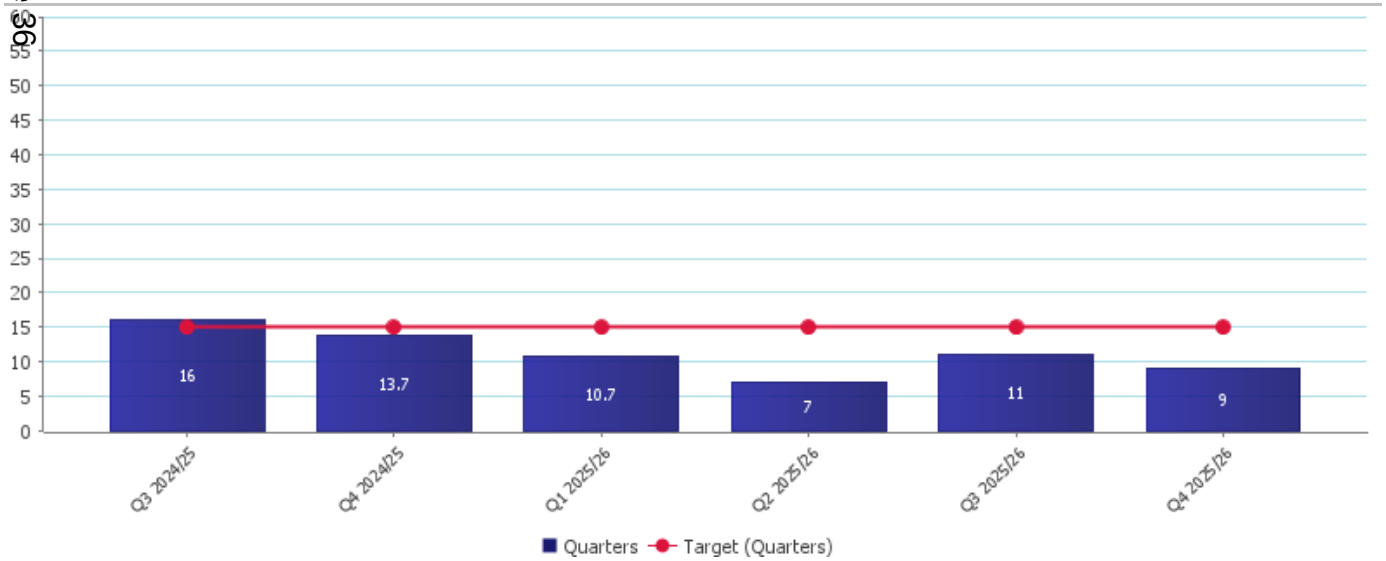


13-Apr-2026

The number of Stage 2 complaints has decreased from the previous quarter, down from 8 to 6.

Planning, Refuse and Recycling, Car Parks, Council tax were the departments that received stage 2 complaints - 50% of the complaints were not upheld.

Average Time Taken (days) to Process Stage One Complaints

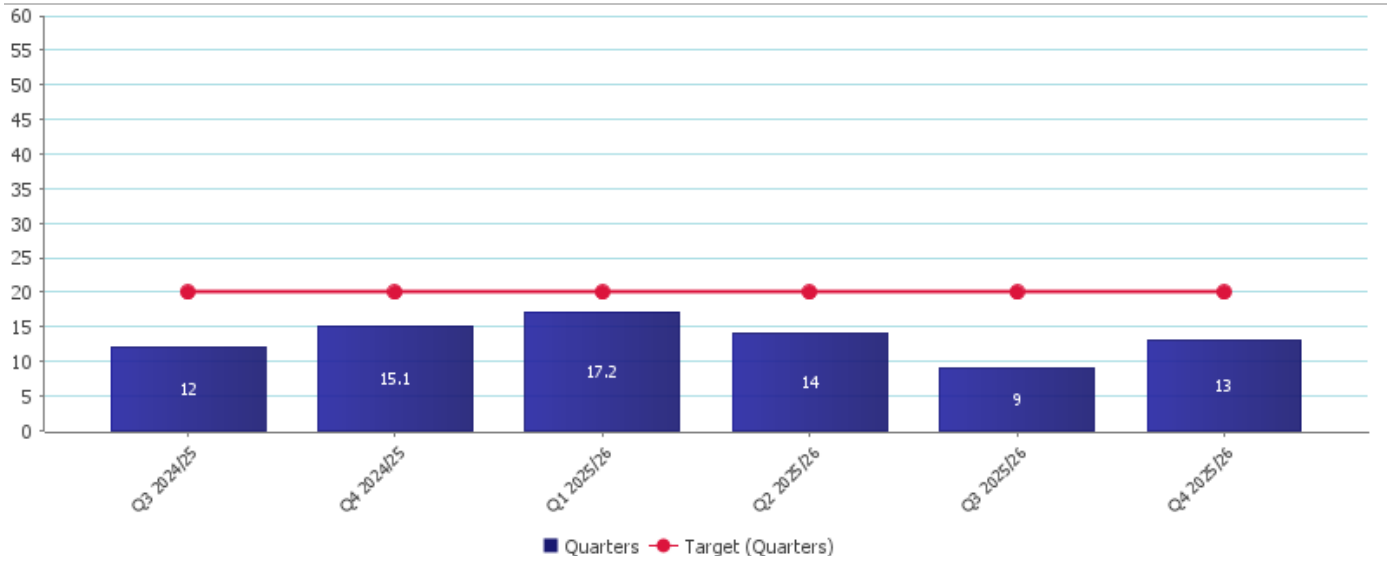


03-Jun-2026

The average response time for stage 1 complaints is 9 days - this is a decrease from the previous quarter, which was 11 days.

Stage 1 responses are due within 15 working days.

Average Time Taken to Process Stage Two Complaints

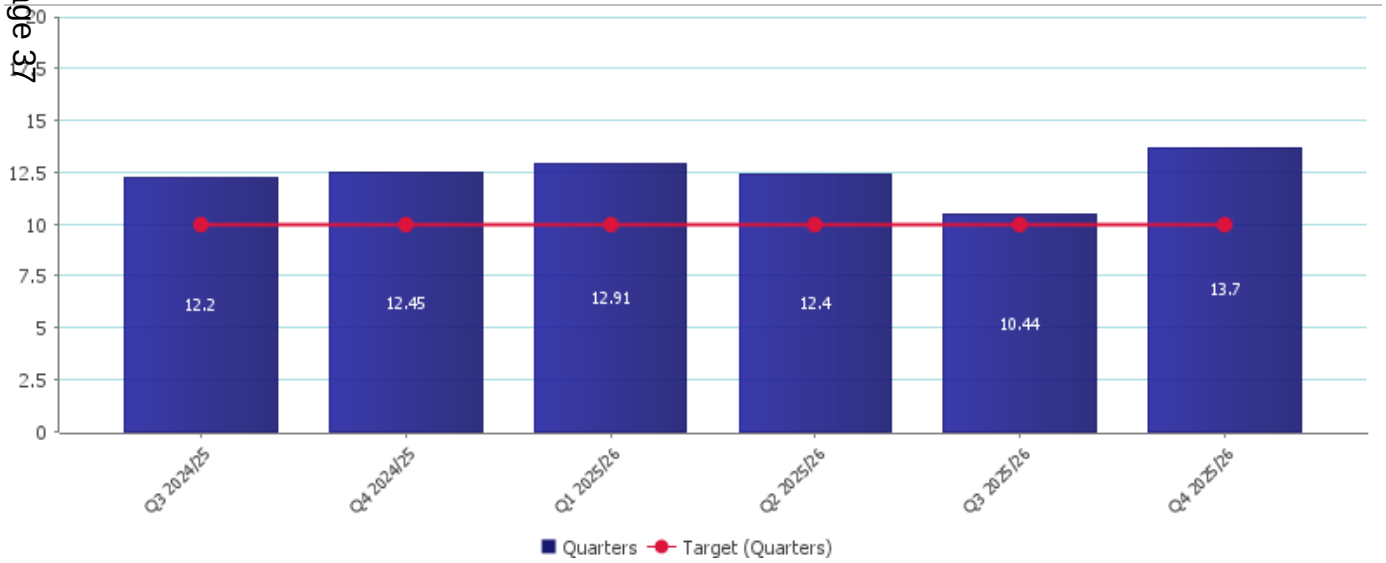


03-Jun-2026

The average time taken to process Stage 2 complaints in Q4 was 13 days- well within the target 20-working day timescale, although slightly up from Q3 (9 days).

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

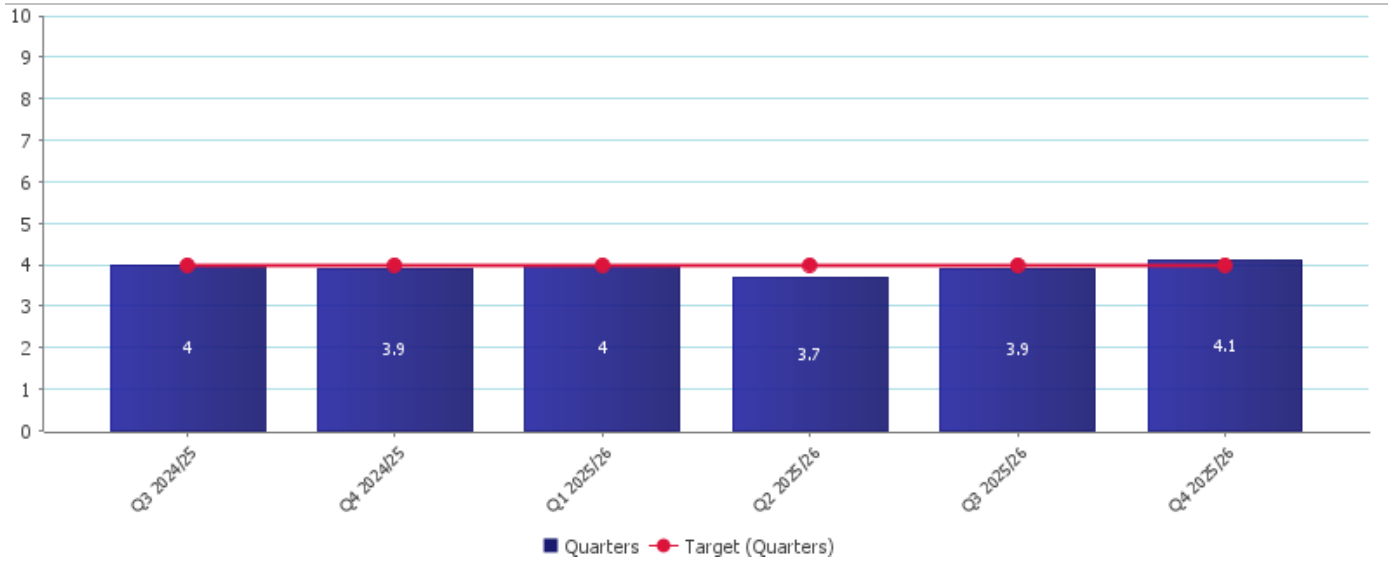
Average Number of Days of Staff Sickness



15-Apr-2026

The average number of days of staff sickness has risen. This is due to an increase in long term sickness cases. All long term sickness cases are being managed with support from the HR team. There are currently 12 staff on long term sickness absence. A number of cases have been concluded and this should be reflected in future reporting.

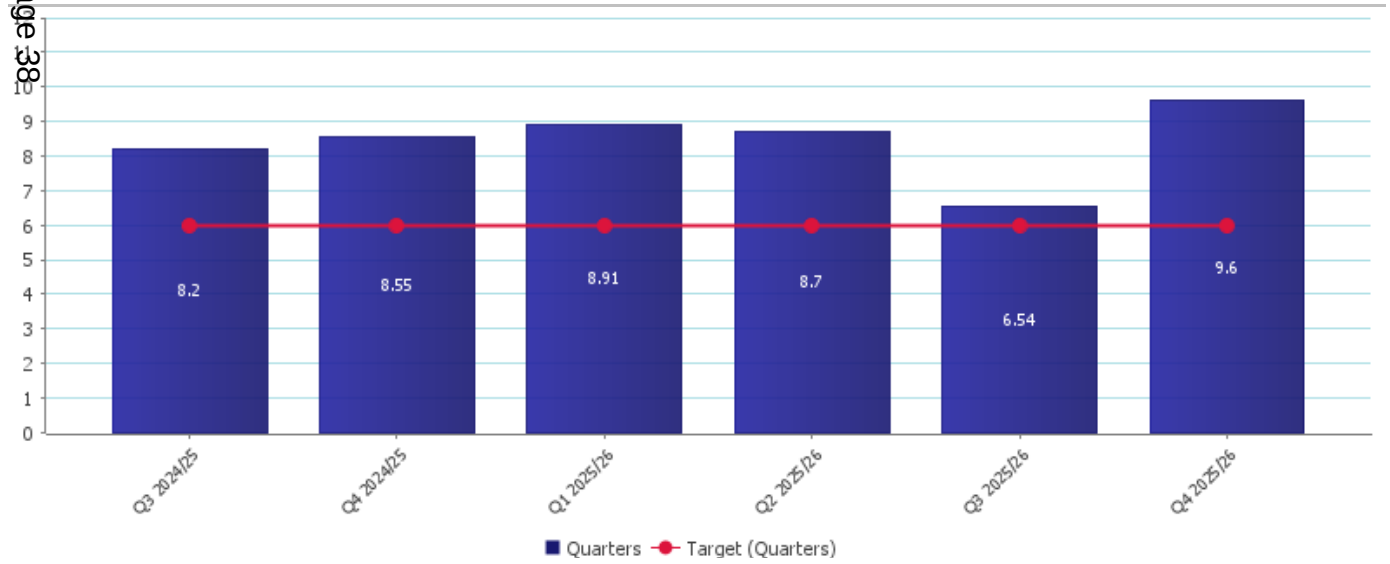
Short-term Staff Sickness (Av. no days)



21-Apr-2026

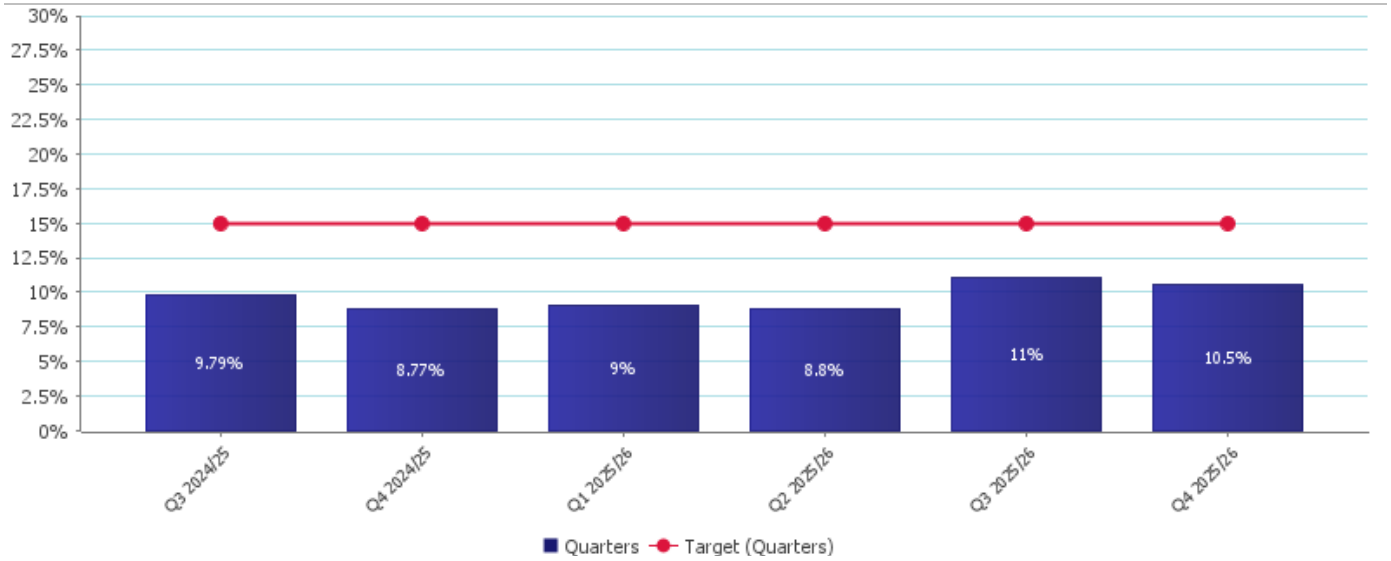
Short term sickness absence is within the expected range.

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



21-Apr-2026

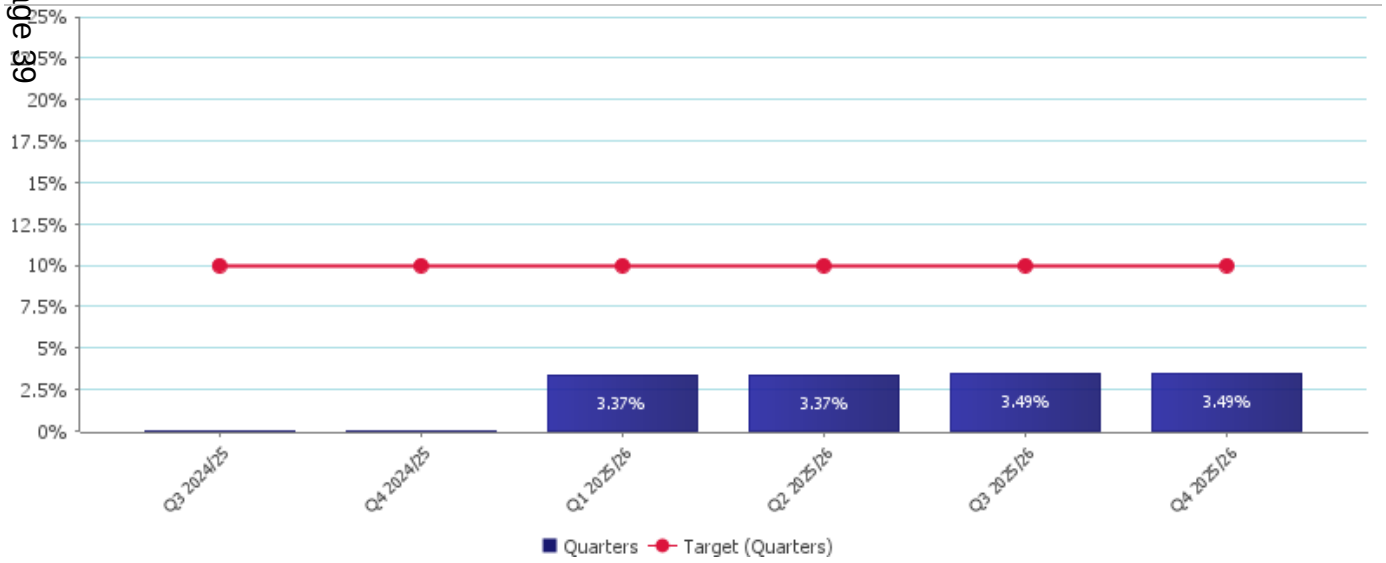
Staff Turnover (voluntary)



21-Apr-2026

Staff turnover continues to be well within target and is being monitored for any impact from LGR.

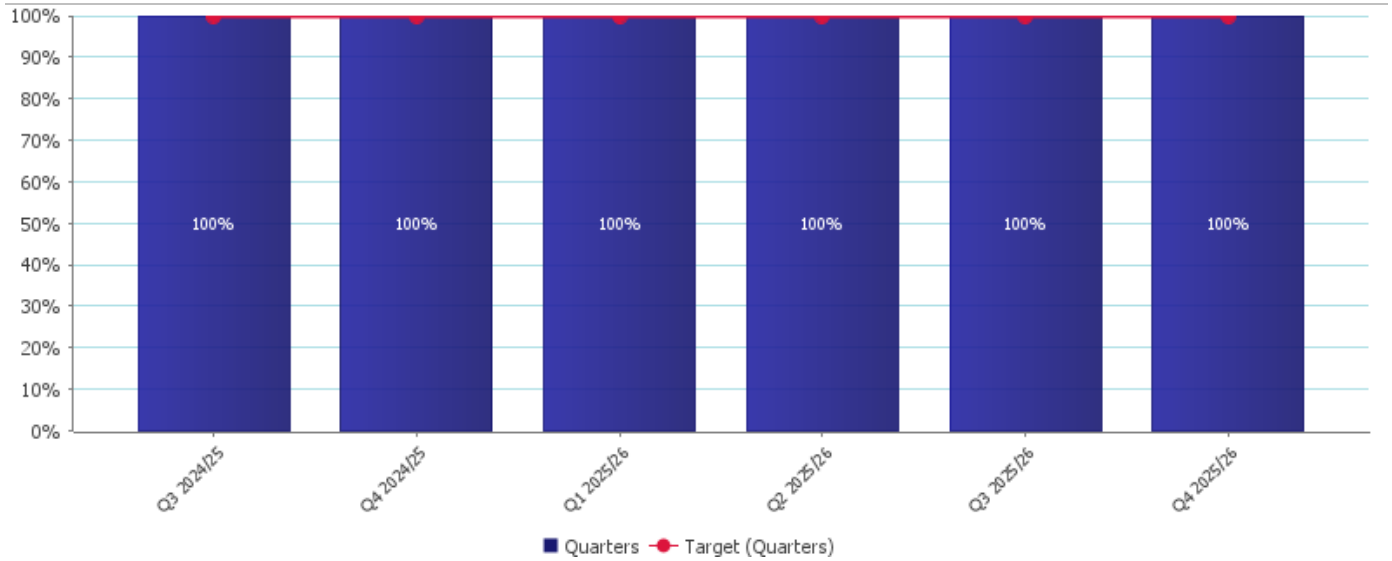
Council Owned Vacant Property Rate (%)



17-Apr-2026

70 East Street and Unit 2 Clocktower.

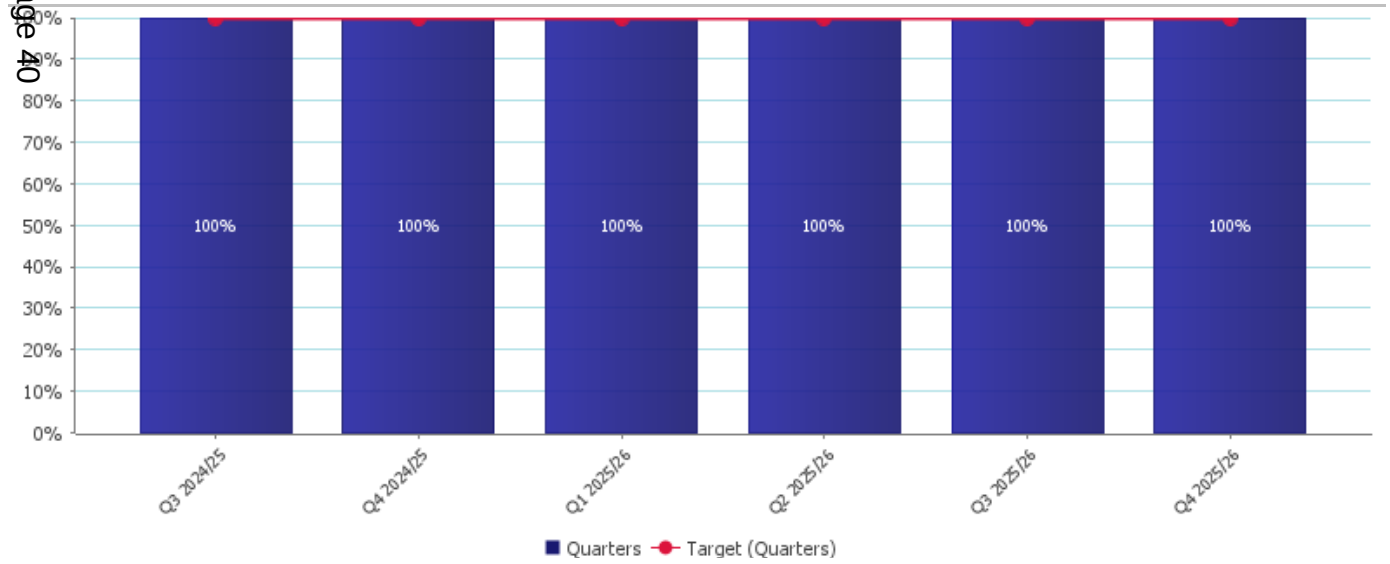
Completion Rates for ALL Property Maintenance Works



23-Apr-2026

Completion rates for all property maintenance works reached 100% for Q4

Completion Rate for PRIORITY 1 Property Maintenance Works



23-Apr-2026

Completion rate for PRIORITY 1 property maintenance works reached 100% in Q4

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).

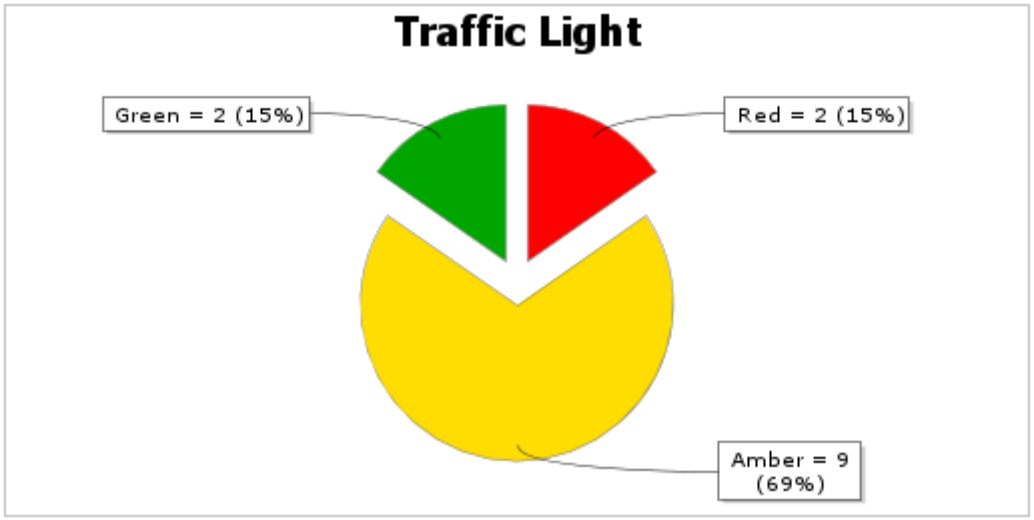
Step 2: Consider how we mitigate the risk and any controls in place.

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

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



ID	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
HC9	Risk of homelessness expenditure exceeding budget provision	• 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	4	4	16	Fraud team investigation Additional staff Working Group Strategy in place Housing First funding in place Additional Government Funding Homelessness Action Plan	4	4	16		Treat	No change since last quarter	02 Jun 2026

		other budgets. • Potential damage to reputation											
IT6	Failure or interruption to IT services	• Damage caused by successful cyber-attack. • Loss of data. • Service delays. • Reputational damage. • Staff satisfaction.	4	4	**16**	IT Strategy Business Continuity Plan IT processes and procedures Security Operations Centre Cyber Security Strategy Budget	3	4	**12**	▬	Treat	• Risk to continuity of IT services due to ageing components, increasing demand and reliance on third-party suppliers. • Work to remove ageing elements of the IT estate is underway, but delivery and prioritisation must now be considered through the lens of Local Government Reorganisation and the likely IT requirements of the future East Surrey authority. • National cyber threats remain high, affecting all councils and continuing to increase the likelihood of service disruption despite mitigations in place	11 May 2026
EO3	Implications of local government reorganisation	• Turnover of staff. • Financial uncertainty. • Disruption to BAU. • Capacity to deliver. • Staff morale/motivation. • Strategic	4	4	**16**	Working Group Stakeholder group Collaboration with other councils Communications Campaigns Learning from other new unitary authorities LGR implementation programme	3	3	**9**	▬	Tolerate	• 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	05 May 2026

		uncertainty.										the shadow authority".	
PD14	Failure to deliver a local plan / Local plan found unsound at inspection	• 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**	Local Plan Risk Register Report to Stakeholders Budget Member briefing Full staffing in place Partners fully engaged Political support to fund and deliver Project Plan Project Critical Path Established	3	3	**9**		Treat	Local Plan remains at Examination Stage	15 Apr 2026
EO5	Failure in key statutory services	• Poor customer service. • Legal challenge. • Reputational damage.	2	4	**8**	Performance Benchmarking Performance Monitoring Risk Register Risk Management Strategy Budget Monitoring Annual Budget Setting Governance Framework	2	4	**8**		Treat	• 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	05 May 2026
LS9	Shadow Authority Election						2	4	**8**			Project is progressing well and project management approach & tools are in place.	17 Ap 2026

												Engagement with relevant internal & internal stakeholders has been successful and all deadlines to date have been met. Risk register & project plan are regularly reviewed.	
PCR16	Failure to comply with GDPR/Data protection	• 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**	Data protection policies and processes Internal Audit eLearning Working Group Information Governance Working Group Staff training Breaches log Data Protection Officer Data/information management prep for building movetionailsation programme Email warnings and checks	2	4	**8**		Treat	Levels here remain as they were.	05 May 2026
F2	Failure to balance the budget annually & MTFS	• Fail to perform statutory duty and issue of Section 114 notice allowing potential Government intervention and potential cuts to	4	4	**16**	Annual Budget Setting Budget Monitoring Manage financial reserves Savings targets Competitive Procurement of Utilities	2	3	**6**		Treat	Following Fair Funding Review which determined council funding, we are in a better position and have the means to balance the budget for the foreseeable future with minimum cuts in budgets.	07 May 2026

		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.				Discretionary service review Asset review							
PD1	Failure to deliver the climate change strategy	• Unable to deliver the Council's climate change objectives. • Fail to reduce the Council's carbon emissions. • Damage to reputation.	4	4	**16**	Climate Change Action Plan Additional staff Member Working Group Working Group Budget	2	3	**6**		Treat	Risk remains unchanged	15 Apr 2026
HC5	Non-compliance with	• Negative impact on	4	4	**16**	Safeguarding Policy Knowledge	2	2	**4**		Treat	No change	23 Apr 2026

	safeguarding legislation, internal policies, and best practice.	resident and staff health & safety. • Legal challenge. • Financial penalty. • Reputational damage				sharing Staff training Register of vulnerable residents Staff Update Internal safeguarding group Intranet Site (The Hub)							
PCR13	Failure to successfully prevent a significant health and safety incident	• Harm to staff, visitors, members of the public and / or contractors. • HSE fine. • Reputational damage. • Unable to maintain service delivery.	2	4	**8**	Assurance Checks Undertaken Health & Safety Officer Health & Safety Group Health & Safety Risk Register Health & Safety Policies Intranet Site (The Hub) Staff Update Budget SLT Reporting eLearning Performance Monitoring Guidance Documents	1	4	**4**		Treat	No change to the risk score since Q4. Although a new health and safety knowledge resource has been procured which should improve our governance and risk management in this area.	15 Apr 2026
EO13	Failure to	• Wasted	4	4	**16**	Full Council Approval	1	3	**3**		Treat	This risk originated from the	19 Ma

	deliver a safe/compliant working environment at the Town Hall	resources used to progress the project. • Reputational damage. • Negative staff moral. • Unable to achieve benefits associated with the move.				Corporate Procurement process Internal Audit Steering Group appointed Business case Project Plan						original plan to move to 70 East Street. When this decision was reversed due to LGR a paper went to S&R to fund the necessary fire safety works needed to upgrade the Town hall to ensure it remained compliant for occupation beyond vesting day. The building along with all our other buildings remain compliant for fire safety. Following Grenfell Building safety regulations have been updated and new measures are required moving forward. There is always a period of grace for compliance with new regulations and this forms part of the capital programme over the next 5 to 10 years as appropriate to ensure compliance continues. The inclusion of this risk was as a misunderstanding of the situation and can be removed and was only relevant at the time of moving to 70 East Street.	2026
PCR18	Failure to respond effectively to a major incident or civil emergency	• Loss of business continuity. • Health and wellbeing of residents. • Reputational damage. • Unable to	4	4	**16**	Applied Resilience Emergency Plans Business Continuity Plan Council responders Internal Audit	1	3	**3**		Tolerate	The emergency planning work programme is on track.	25 Mar 2026

		support strategic and operational / service deliver partners.											

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.

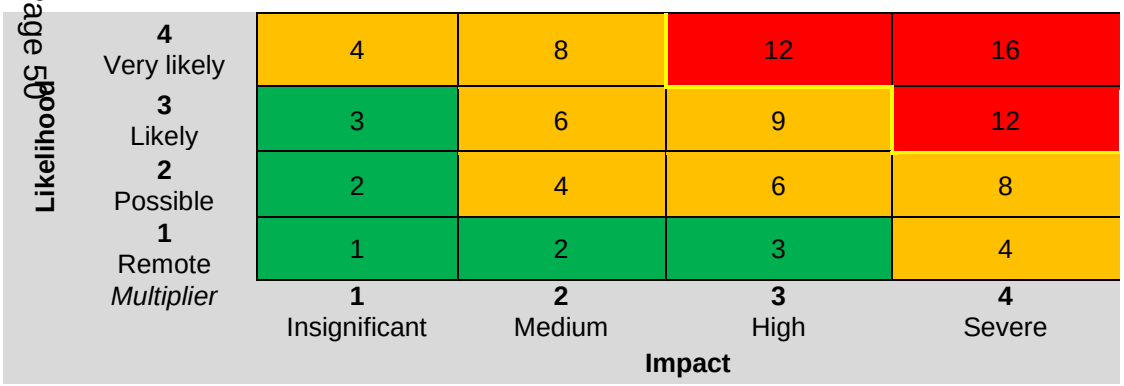
In this register, the inherent risk score (before any mitigations or controls) and the residual risk score (with mitigations and controls in place) have been derived from using the risk matrix below. The matrix is included in the Risk Management Strategy. We assess our risks as follows:

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).

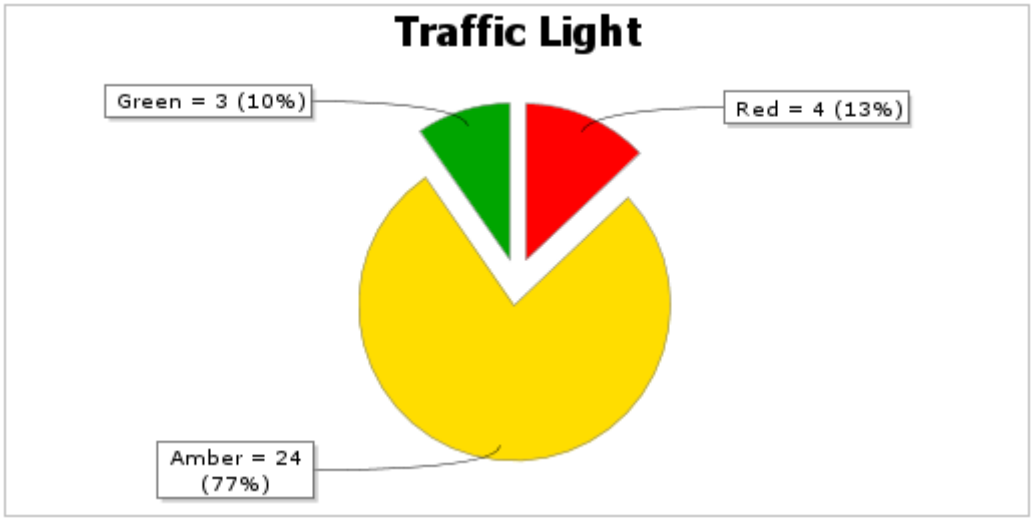
Step 2: Consider how we mitigate the risk and any controls in place.

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.



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



Community & Wellbeing Committee

ID	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
HC13	Inadequate budget for homelessness over medium-long term	• Unbudgeted expenditure. • Pressure on statutory service. • Need to source funding from outside current budget envelope.	4	4	16	Medium Term Financial Strategy Service/Function Review Responded to Government Consultation Anti-Fraud & Corruption Strategy and Response Plan RBBC Counter-Fraud Service Strategic Housing Manager	4	3	12	-	Treat	No change	01 May 2026

						New Units for Accommodation Secured Government Funding - Additonal							
HC14	Lack of affordable housing in the Borough	• Changes to Borough demographics. • Homelessness. • Provision for key workers.	4	3	**12**	Strategic Housing Group Partnership Working Strategic Housing Manager	4	3	**12**	–	Treat	The Strategic Housing Manager (SHM) continues to work with planning colleagues and Registered Providers to increase delivery.	15 Apr 2026
HC15	Health and wellbeing worsen in the Borough due to increases in the costs of living	• Less income to the council, leading to service pressures. • Financial sustainability of assets.	3	3	**9**	NHS Provide Services 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	3	3	**9**	↑	Treat	The cost of living crisis and associated pressures, that had started to stabilise, now faces a resurgence in light of on-going global conflicts. This holds risk for the boroughs most vulnerable residents, and may negatively impact on the health and wellbeing of residents. It will also hold risk for debt and homelessness. The risk has therefore been increased.	16 Apr 2026
OS20	Not maximising commercialisat	• Less income to the council,	4	3	**12**	Bourne Hall Cafe Project Management	2	3	**6**	–	Treat	**PROPOSE TO RETIRE IN LIGHT OF LGR**	05 Ma 2026

	ion opportunities at council venues and parks / open spaces	leading to service pressures. • Financial sustainability of assets.				Resource Project Management Governance Revenue Assessment Required for Change of Land Use							

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	• Misunderstand the changes. • Legal challenge. • Unable to effectively meet our obligations. • Unbudgeted expenses.	3	4	12	Watching Brief Maintained Access to legal advice Community Safety Partnership Close liaison with police Partnership Working	2	3	6	-	Treat	No change	05 May 2026
HC33	Ineffective governance regarding PREVENT, PROTECT and Martyn's Law	• Unable to meet objectives of PREVENT and PROTECT. • Legal challenge. • Health and safety. • Unbudgeted expenses.	4	4	16	Community Safety Action Plan Budget Monitoring Working Group Delayed implementation of legislation	2	3	6	-	Tolerate	No change since last quarter's assessment.	15 Apr 2026
HC38	Failure to deliver Clear, Hold, Build objectives	• 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	No change. Project has been scaled to fit in with resource available.	23 Apr 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	• 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	Additional staff Internal Audit	4	3	12	-	Treat	No change.	23 Apr 2026
HC10	Significant decrease in parking revenue from car parks	• 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	21 Apr 2026
OS30	Lack of availability of qualified LGV drivers	• Insufficient drivers impacts on the collection of waste, leading	4	3	12	Staff training Managers working closely with staff Review of pay	3	3	9	-	Treat	**PROPOSE MOVE TO DIVISIONAL LEVEL** • The pay review has been	05 May 2026

		to • Reduced income (garden waste is paid for) • Reputation, • Risk to public health.				scales						conducted and it is being managed within the service.	
OS21	Climate change - Fleet emissions	• Increased costs related to adapting / purchasing new vehicles. • Reduced efficiency. • Costs related to staff retraining. • Costs related to depot adaptions.	4	3	**12**	Climate Change Group SEP Green Fleet Working Group Grant Funding Secured - Electric MealsOnWheels Vehicles	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).	05 May 2026
OS5	Outcome of national waste strategy	• Budget implications. • Service delivery implications. • Operational management implications. • Stakeholder management.	4	3	**12**	Monitoring for Government Announcements Simpler Recycling	2	3	**6**		Tolerate	• Extended Producer Responsibility: payment has been received. • 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 is disposal contractors to understand this but we may have to legally	05 May 2026

												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.	
PD31	Unable to meet costs associated with the Tree Management Plan (e.g. unplanned maintenance, Ash dieback)	• Budgetary pressures. • Public health and safety. • Increased tree planting leads to increased ongoing maintenance costs. • Reputational damage.	4	3	**12**	Financial Due Diligence Budget Monitoring Tree Management Plan Tree Maintenance Contract Policy in place New Policy and fees and charges approved for third party tree planting requests to cover council's costs Epsom & Walton Downs Conservators contribute to the maintenance of trees on the Downs.	2	3	**6**		Treat	There is no change in the current quarter. Council is still awaiting final funding from Forestry Commission but the management of Ash dieback is occurring satisfactorily. Financial risk has decreased across the year with these funding streams.	14 Apr 2026

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	• Reduced Council income. • Misalignment of resource costs and income generation. • Reputational damage.	4	3	12	Budget Monitoring	3	3	9	-	Tolerate	No change	08 May 2026
PD19	Macro-economic factors (inc. lack of development) lead to reduced planning income e.g. related to planning applications and CIL fees	• 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	No reason to change the current risk factors. Fee income remains above the £545,878 budget for the year (March 2026 figures not yet provided), 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 first two quarters of 2025/2026, which should maintain strong fee income measured against the budget. Uptake for fast track applications has improved in the most recent quarter, which is a positive trend. PPAs remains below budget	14 Apr 2026

												expectations but have improved in recent months due to several larger schemes. Pre applications remain relatively strong. Overall, the risk remains unchanged.	
PD2	Planning breaches are not enforced	• Negative impact on neighbouring residents. • Legal challenge. • Reputational damage.	4	4	**16**	Enforcement Trainer Actioning Cases Development Management Project	2	3	**6**		Treat	There has been a downward trend in open enforcement cases, which now stand at 233. There were 61 closures in March, which was a significant increase on the monthly average. There were 271 new enforcement cases for the year, which is about average. Closures were at 275. Enforcement support remains in place so the downward trend should be maintained. There are several outstanding cases where notice are due to be issued, which is a resourcing issue. There are also several current or pending prosecution cases where notices have not been complied with and this presents added resources and costs to the delivery of the enforcement service. On that aspect, the financial risk remains high. Reputational risk remains medium on account of the recent uptick in the number of case closures but with failure to issue notices.	14 Apr 2026

PD20	Not preparing for legislative changes related to planning	• Inappropriate governance. • Reduced service performance. • Legal challenge. • Reputational damage.	4	4	**16**	Watching Brief Maintained Monthly briefing to Chair and Vice-Chair	2	3	**6**		Tolerate	The Licensing and Planning Policy Committee approved the introduction of monotiling fees for BNG and S106 legal agreements, providing greater certainty with the application of fees. This is a welcome change that has reduced the financial and objectives risks to the Council. The Council remains ready to implement the Building Safety Levy in October 2026 with government direction. .	14 Apr 2026
PD29	Planning policy officers leaving the council	• 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.	15 Apr 2026
PD3	Decline in development management performance i.e. threat of designation	• * 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 through the quarter and year in terms of planning applications, and is continually monitored in terms of appeal decision overturns.	14 Apr 2026
HC27	Out of date licensing policies	• Gaps in governance	4	4	**16**	Additional staff Access to legal advice	1	2	**2**		Treat	Tasks completed, awaiting final adoption by full council July 2026	23 Apr 2026

		framework. • Reputational damage.				Committee training							

Strategy & Resources Committee

ID	Title	Potential Effect	L	I	Inherent Risk	Controls	L	I	Residual Risk	DoT	Approach	Commentary / Future Actions	Latest Update
PR3	Property Portfolio	• 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	No change to risk profile as commercial tenants face challenging economic consequences from geopolitical events / conflicts.	17 Apr 2026
10	Failure to deliver services within agreed budget envelope (e.g. increase in operational costs, staffing, energy etc.)	• Negative impact on council budget. • Service changes.	3	3	9	Budget Monitoring Annual Budget Setting Competitive Procurement of Utilities	3	3	9	-	Treat	Fair Funding Review has provided additional resources for the council to mitigate rising costs and come in budget.	04 Jun 2026
PD21	Declining economic vitality in the Borough	• Lack of economic drive and contributions in the Borough. • Reduced opportunities for residents and businesses.	4	3	12	BID Support Local Enterprise Partnership Working w/ Neighbouring Authorities	3	3	9	-	Tolerate	Risk remains unchanged	15 Apr 2026

F27	Insufficient funding to implement Local Government Reorganisation	• 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 Partners fully engaged Lobby Government Manage financial reserves Share capacity across partner authorities Reduce council spending	2	3	**6**	↓	Treat	£454k paid across from reserves to SCC recently to cover the transition cost and pay EEBC share.	01 May 2026
HR11	Lack of leadership and skills to deliver strategies objectives	• Do not meet financial targets. • Unable to implement corporate strategies and plans. • Unable to implement revenue	2	3	**6**	Recruitment Strategy Retaining Talent Policy Succession Planning Performance Management My Performance Conversations	3	2	**6**	–	Treat	No change since the last quarter.	23 Apr 2026

		generating initiatives / opportunities.				Risk Management Strategy Project Management Governance							
PR15	Climate change - Building emissions	• Unable to achieve climate change strategy goal to reduce building emissions. • Council generates more CO2 than necessary.	4	3	**12**	Climate Change Action Plan Climate Change Group	2	3	**6**		Treat	Progress continues to be made for Bourne Hall and Epsom Playhouse as reported to Environment Committee on 20/01/26.	17 Apr 2026
PR16	Reduction in car parking capacity	• Reduced income • Damage to Epsom's vitality and viability eg • Harder for visitors to find space • Overspill of parking into roads.	3	2	**6**	Engagement w/ Surrey County Council Car Park moinitoring	2	3	**6**		Treat	No change to risk profile.	17 Apr 2026
DST10	Failing to respond to complaints effectively	• Poor customer experience. • Reputational damage. • Increased costs related to	3	4	**12**	Information Published on Website Staff training Complaints Management Governance	2	2	**4**		Tolerate	The risk has not changed.	05 May 2026

		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).				Complaints Meetings							
CO8	Ineffective communication to key stakeholders	• 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 Communications Strategy Regular review of communication channels Communications Campaigns Internal Client - Account Manager Process Comms standards	2	2	**4**		Tolerate	Risk assessment remains the same as the previous assessment.	17 Apr 2026
F26	Incorrect	• Financial	3	3	**9**	Quarterly monitoring of	2	2	**4**		Treat	The risk is being closely	05 May

	administration of Housing Benefit payments to a provider	impact to the council which could affect the budget / reserves.				subsidy position Regular liaison meetings with DWP Allocate contingency funds to cover potential financial impacts						monitored, and there is ongoing engagement with the DWP.	2026
PR14	Not delivering a value for money result regarding the future of the current Town Hall site	• Loss of significant (future) income / capital receipts. • Unable to deliver corporate and Borough objectives. • Reputational damage.	3	4	**12**	Appoint external consultant Member Working Group	1	2	**2**		Treat	Continued occupation of the Town Hall site supports LGR as reported to Strategy & Resources Committee on 11/11/25.	17 Apr 2026

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
Review and enhance recruitment and retention policies and procedures for key roles across the council	31-Mar-2024	30-Sep-2025	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. 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. 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.		Completed	01-Aug-2025
Review and update IT policies as necessary	31-Mar-2024	31-March 2026	Acceptable Use Policy (AUP): Finalised and formally approved, with updates reflecting enhanced cyber security controls, audit recommendations, and explicit coverage of AI and modern collaboration tools. Password Policy: Finalised and approved, aligning password standards with current security best practice and supporting the Council's wider information security framework.		Completed	11 – May 2026

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
2023/24 - IT AGS action	31-Mar-2024	~~31-Mar-2026~~ 30-Sep-2026	Ongoing, approaching next IT health check and expecting Cabinet Office to attend to review, expecting positive outcome. Delayed due Cabinet Office communications. Hence new due date set.		Slippage	11-May-2026
2023/24 Councillor Training - review and enhance the councillor training and development programme	31-Mar-2025	31-Oct-2025	This action has been cancelled due to Local Government Reorganisation. Hence it will be closed on the action plan.		Closed	17-Apr-2026
Management capability -to enhance management capability to lead through change, by delivering a new development programme.	31-Mar-2026	31-Mar-2026	Managing Change for Line Managers training sessions were set up for 21 April, 12 and 18 May with those that manage people booked on. Training for all staff is set up for June/July. In addition, we have a number of colleagues attending external development programmes funded through the corporate training budget. Action completed: all training has been delivered/arranged.		Completed	08-Jun-2026
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~~ 30-Sep-2026	An updated information pack was provided to Maple to inform further development of Version 2, ensuring alignment with audit requirements and practical incident response arrangements. Work continues to align the developing Cyber Security Response Plan supporting a single, coherent		Slippage	11-May-2026

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
			response approach. ICT consultant reviewing latest edition of plan (V3), awaiting their response.			
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	No further progress has been made with respect to using AI aside from occasional use of CoPilot. Central Government has awarded contracts to Google to test AI software for processing minor householder applications, and this will continue through 2026. This has no immediate impact on EEBC. Further development will be dependent on East Surrey Unitary authority requirements, so this action has been assessed as complete.		Completed	14-Apr-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	Additional documents requested by the Inspector submitted by 10 April 2026 deadline. We are wating for a letter advising how the Inspector wishes to proceed with the examination. Following receipt of this letter we will be aware of the likely timescales for progressing the Local Plan		On track	15-Apr-2026
Corporate priorities - in light of LGR,	31-Oct-2025	31-Oct-2025	Corporate priorities for 25-27 were taken to full council on 6th May 2025		Completed	08-Aug-2025

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
management will consider having a focussed set of corporate priorities for the coming year / 2 years			and approved as the councils priorities for the next two years ahead of LGR			
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 tailored form specifically for the Community Services driver tech, wellbeing coordinator, and kitchen team has been developed. All areas with manual workforce now have a fit for purpose MPC process.		Completed	07-May-2026
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.GT have now closed this action in their reports, therefore this action will close and the meetings with stakeholders will continue as BAU.		Completed	05-May-2026

LOCAL GOVERNMENT & SOCIAL CARE OMBUDSMAN ANNUAL REVIEW LETTER AND INFORMATION COMMISSIONER'S OFFICE UPDATES

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

Summary

This report provides the annual review of complaints received and decisions made by the Local Government and Social Care Ombudsman (LGO) between April 2025 and March 2026 inclusive, including details of two complaints upheld by the LGO. This report also provides an update on data breaches and the way the council handles data complaints as a result of updated legislation.

Recommendation (s)

The Committee is asked to:

(1) Note the report.

1 Reason for Recommendation

1.1 To ensure the committee is kept appraised of the Ombudsman's Annual Review Letter.

1.2 To ensure the committee is kept appraised of complaints involving the Ombudsman raised against the council.

1.3 To ensure the committee is kept appraised of data breaches.

2 Background

2.1 The LGO produces an Annual Review Letter for all local authorities detailing the number and type of complaints received and decisions made relating to each authority. The annual review letter for the period from 1 April 2025 to 31 March 2026 relating to Epsom and Ewell Borough Council is attached to this report as Appendix 1.

2.2 Since this committee last met there have been two complaints upheld by the Ombudsman, details of which have been set out in this report.

2.3 The council records and logs all data breaches, details of breaches that have occurred since the last report have been included in this report.

3 Annual Review Letter 2025-26

3.1 The Annual Review Letter sets out that for the year ending 31st March 2026 the LGO received a total of 18 complaints relating to Epsom and Ewell Borough Council, an increase from 15 complaints received in the previous year.

3.2 A full copy of the letter is included in Appendix 1.

3.3 After assessment of the 18 complaints received by the LGO, they found that 9 were not for them or were not ready to be investigated by them. These include complaints brought to the Ombudsman before the council was given a chance to consider the complaint, or complaints where an alternative governing body has authority to consider the complaint (e.g. the Planning Inspectorate or the Information Commissioner's Office).

3.4 They assessed and closed 7 complaints. Reasons for this could be that the law says the LGO are not allowed to investigate, or it would be a poor use of public funds if they did.

3.5 This left 2 complaints that were investigated. However there is a discrepancy between the information the council was sent at the time that one of these complaints was assessed by the Ombudsman, as the paperwork the council received at the time for one of these complaints stated that the Ombudsman was not investigating the complaint. In the Annual Review Letter and accompanying statistics, the Ombudsman has recorded the complaint as being investigated and upheld.

3.6 The council queried why the Ombudsman could uphold a complaint without investigating it, they responded as follows:

"Further to your additional enquiry, in our decision statement we summarise this case as" we will not investigate this complaint about ongoing refuse problems near Miss X's home. This is because the Council took satisfactory action in response to the complaint."

The outcome of this case is "Injustice remedied during organisations complaint processes." This type of outcome is considered as upheld.

Under our powers in the Local Government Act 1974, section 24A(7), (as amended) we can decide not to start an investigation if we are satisfied with the actions an organisation has taken or proposes to take. An Investigator in our Assessment Team considered the actions you were taking and or proposing to take and considered these actions were sufficient. Any further investigation would not have changed the outcome.

3.7 Therefore, the LGO were happy with the way the council dealt with the complaint during our internal complaints process, and as the complaint was upheld by the council, the LGO marked it as the same.

3.8 The table below shows the number of upheld complaints per 100,000 people adjusted to the population of each Borough and District in Surrey, as well as the number of complaints received by the Ombudsman and the number of investigations they conducted.

Borough/District	Upheld complaints per 100,000 people	Number of complaints received.	Number of complaints upheld.
Elmbridge	**0.7**	**18**	**1**
Epsom & Ewell	**2.4**	**18**	**2**
Guildford	**0.7**	**14**	**1**
Mole Valley	**2.3**	**15**	**2**
Reigate and Banstead	**0**	**13**	**0**
Runnymede	**1.1**	**11**	**1**
Spelthorne	**2.8**	**24**	**3**
Surrey Heath	**1.1**	**13**	**1**
Tandridge	**0**	**11**	**0**
Waverly	**1.5**	**15**	**2**
Woking	**1.9**	**17**	**2**

3.9 A table comparing the number of complaints received by the Ombudsman and the number of complaints upheld by the Ombudsman for Epsom & Ewell is below:

EEBC	2021/22	2022/23	2023/24	2024/25	2025/26
Number of complaints received by the Ombudsman	11	17	24	15	18
Number of complaints upheld	2	2	2	0	2

4 Details of complaints upheld by the Ombudsman

4.1 The first upheld complaint (also referenced above) was not investigated by the Ombudsman but attracted a decision of upheld due to the council upholding the complaint at stage 2.

4.2 The complaint concerned ongoing build-up of refuse and fly tipping close to the resident's home, causing rodent infestations.

4.3 In the stage two complaint response the Council apologised for the ongoing issues individual X experienced. As a result of their complaint the Council reviewed the efficiency of its current involvement and decided to:

- Increase waste collections from once to twice a week;
- Increase site inspections from once to twice a week;
- Make the site a scheduled priority site; and
- Increase uniformed presence.

4.4 The Ombudsman was satisfied that this was a reasonable way to address the complaint and stated that they wouldn't investigate, however the decision has been recorded as upheld by the Ombudsman due to the council upholding the initial complaint.

4.5 The second complaint upheld by the Ombudsman concerned individual X who complained that the council:

- Unreasonably issued a section 215 notice against them
- Destroyed evidence by deleting mailboxes of staff which leave the Council's employment; and
- Insists reports of breaches of planning control are made on its website or a specific form.

4.6 Upon assessment the Ombudsman made the following decisions

- To investigate individual X's complaint about how the Council considered its duties to consider reasonable adjustments.
- Not to investigate any reference to the Council issuing a section 215 notice. Individual X had an appeal right to the magistrate's court and it is reasonable for them to use this right.
- Not to investigate any reference to the Council deleting an officer mailbox after they leave the Council. This is a matter for the information Commissioner's Office (ICO) and it was reasonable for individual X to raise this with the ICO (details of this complaint were brought to this Committee's attention on 05/02/2026).

4.7 In relation to the one element of this complaint that the Ombudsman investigated, they found that individual X had not asked for a reasonable adjustment, although they were presented with evidence to show that they reported issues with their hands. While individual X did not ask for a reasonable adjustment, the Council has an anticipatory duty. When individual X explained the problems they had using their hands, the Council should have asked individual X if they would like to request any reasonable adjustments. The Council should have then considered if the request was reasonable and if it would make any adjustments. The Council did not do this. This is fault.

4.8 It is important to note that the Ombudsman cannot say if the Council should have made adjustments, or what any adjustments may have been, and they cannot say not having an adjustment caused individual X any injustice.

4.9 However, the council's fault of not discharging its anticipatory duty caused individual X uncertainty.

4.10 As a result of this fault identified by the Ombudsman, the council was asked to contact individual X to ask if they need a reasonable adjustment, consider if any request is reasonable and if it is, make suitable adjustments, and also to remind officers of the council's anticipatory duty to make reasonable adjustments under the Equality Act 2010.

4.11 These actions were completed within the time stipulated by the Ombudsman, with evidence of this being submitted to the Ombudsman.

Further information on all LGO activity (statistics and decisions) concerning Epsom & Ewell can be found here: Epsom & Ewell Borough Council - Local Government and Social Care Ombudsman

5 Information Commissioner's Office Complaints

5.1 The council has been notified of two complaints received by the ICO in relation to the council's responses to two Freedom of Information Requests.

5.2 The council has not been notified of details of the investigations, the last correspondence from the ICO stated that in each case they were seeking to allocate the complaints to an investigator for further assessment.

Data Breaches

5.3 Since the Audit & Scrutiny meeting of 05/02/2026 there has been a total of 11 data breaches. Of these, two were considered reportable to the ICO.

5.4 The ICO took no further action with respect to the two breaches reported to them, other than to give the council general advice

5.5 9 of the 11 breaches, involved email as the platform through which the breach occurred.

5.6 One breach involved the theft of personal belongings of a council employee, and another breach involved a technical error on council hardware which has now been resolved.

5.7 Advice has been provided to those members of staff involved in data breaches, which is supported by provision or training and E-Learning.

6 Data Protection Complaints

6.1 In the 05/02/2026 meeting of this Committee, it was noted that under the new Data Usage and Access Act 2025 (DUAA 2025) the council will be responsible for handling Data Protection complaints directly within the organisation. This removes the automatic right that the public have to go straight to the ICO.

6.2 The council's Complaint Policy has been updated to reflect this change and Customer Services colleagues have been briefed on the new addition to complaints we investigate.

6.3 These complaints will be reported on, along with the rest of our corporate complaints.

7 Risk Assessment

Legal or other duties

7.1 Equality Impact Assessment

7.1.1 None that arise directly from this report

7.2 Crime & Disorder

7.2.1 None that arise directly from this report

7.3 Safeguarding

7.3.1 None that arise directly from this report

7.4 Dependencies

7.4.1 None that arise directly from this report

7.5 Other

7.5.1 None that arise directly from this report

8 Financial Implications

8.1 None that arises directly from this report

8.2 **Section 151 Officer's comments**: There are no direct financial implications arising from the report. However upheld complaints may create minor ongoing service cost pressures, which are expected to be managed within existing budgets.

8.3 Data breaches and ICO complaints can give rise to potential financial risk, including regulatory action or compensation, although no such costs have arisen in the period reported.

8.4 Continued staff training and process improvements represent a modest investment to mitigate future financial and reputational risks.

9 Legal Implications

9.1 The Council has a statutory duty to consider and respond to complaints of maladministration referred to the Local Government and Social Care Ombudsman. Investigations by the Ombudsman are conducted in accordance with the provisions of the Local Government Act 1974.

9.2 **Legal Officer's comments**: There are no additional legal implications arising directly from the contents of this report beyond those set out above.

10 Policies, Plans & Partnerships

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

- Effective council

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

10.3 **Climate & Environmental Impact of recommendations**: N/A

10.4 **Sustainability Policy & Community Safety Implications**: N/A

10.5 **Partnerships**: N/A

10.6 **Local Government Reorganisation Implications**: N/A

11 Background papers

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

Previous reports:

- Local Government & Social Care Ombudsman Annual Review letter 2024/25

Other papers:

- Local Government & Social Care Ombudsman (LGSCO) and Information Commissioner's Office (ICO) Updates – Audit & Scrutiny Committee 05/02/2026.

Local Government & Social Care OMBUDSMAN

20 May 2026

By email

Ms King
Chief Executive
Epsom & Ewell Borough Council

Dear Ms King

Annual Review letter 2025-26

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2026.

We recognise that local authorities continue to face significant pressures in delivering services to their communities. We hope the data and insight we share with you each year remains a useful tool for reflection and continuous improvement. Please consider it as part of your corporate governance processes.

Your annual statistics are available here.

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

We will write to organisations in July where there is exceptional practice or where we have concerns about complaint handling. Not all organisations will get a letter. If you do receive a letter it will be sent in advance of its publication on our website on 15 July 2026.

Supporting complaint and service improvement

We remain committed to supporting the sector to embed effective systems of redress. Where authorities are navigating reorganisation and devolution, we are ready to help ensure that robust complaint handling is built into new arrangements from the outset. Please do get in touch if your organisation would benefit from our advice and guidance.

Our Complaint Handling Code, in force since April 2025, is now applied in our casework and offers structure and support to your local complaint system. Our training programme provides a flexible, expert-led route to building complaints capability across your teams, with courses open for individual delegates to book. Contact training@lgo.org.uk for more information.

Our Annual Review of Local Government Complaints will be published in July 2026, setting out the national picture of complaints, trends across service areas, and emerging systemic issues. We encourage you to read it alongside your own organisation's data.

Yours sincerely,

A. K. Clarke

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

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ANNUAL GOVERNANCE STATEMENT 2025-2026

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: Annual Governance Statement 2025-2026

Summary

The Annual Governance Statement ("Statement") is an important document which provides assurance concerning the Council's governance arrangements, both financial and non-financial. It is prepared on an annual basis for inclusion in the Statement of Accounts.

The Statement is taken to Audit and Scrutiny Committee for approval, usually in July, as per its terms of reference. Please note the information within the Statement is accurate as of 1 July 2026 (as per its production timeline).

Recommendation (s)

The Committee is asked to:

(1) Approve the 2025-26 draft Annual Governance Statement as set out at Appendix 1, prior to it being signed by the Chief Executive and the Chair of the Strategy and Resources Committee.

(2) Nominate and authorise the Chief Finance Officer, in consultation with the Chair and Vice-Chair of Audit and Scrutiny Committee, to make any required amendments to the Annual Governance Statement prior to its submission with the Statement of Accounts.

1 Reason for Recommendation

1.1 To comply with the Accounts and Audit Regulations 2015, the Council must prepare an annual statement which appraises its internal control environment, that is the set of processes, standards and structures that underpin the effective running of the Council. This is referred to as the Annual Governance Statement ("Statement"), and forms part of the annual financial statements.

2 Background

2.1 Our governance arrangements aim to ensure that: we set and meet objectives; act lawfully, openly and honestly; and do the right things in the right way. In addition, these arrangements also create a framework in which all monies and resources are accounted for, safeguarded, and used efficiently and effectively.

2.2 The Statement is an important document which provides assurance concerning our governance arrangements, both financial and non-financial. It is prepared on an annual basis for inclusion in the Statement of Accounts. Before the Chief Executive and Chair of Strategy and Resources Committee certifies the statement, it is presented to the Audit and Scrutiny Committee for approval.

2.3 The Statement is attached at Appendix 1.

2.4 The Statement was prepared with reference to the Council's Code of Corporate Governance, and in consultation with senior management (via Divisional Assurance Statements), and the three statutory officers: Head of Paid Service (Chief Executive), Chief Finance and Section 151 Officer, and Monitoring Officer. The Chief Internal Auditor's opinion is included in the Statement, which provides independent assurance over our systems of internal control and risk management.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 No direct implications.

3.2 Crime & Disorder

3.2.1 No direct implications.

3.3 Safeguarding

3.3.1 No direct implications.

3.4 Dependencies

3.4.1 Not applicable for this report.

3.5 Other

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

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(s).

4 Financial Implications

4.1 **Section 151 Officer's comments**: There are no financial implications arising through the preparation and publication of the Statement.

5 Legal Implications

5.1 In order to comply with Regulation 6 of the Accounts and Audit Regulations 2015, the Council must prepare and approve an Annual Governance Statement (Statement). Regulation 10 of the 2015 regulations requires the Council to publish the Statement alongside the adopted statement of accounts.

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

6 Policies, Plans & Partnerships

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

- Not applicable.

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

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

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

6.5 **Partnerships**: No direct implications.

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

7 Background papers

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

Previous reports:

- *Annual Governance Statement 2024–2025*, Council, 9th December 2025. Online available: Epsom and Ewell Democracy [last accessed 05/06/2026].

- *Annual Governance Statement 2024–2025*, Audit and Scrutiny Committee, 17th July 2025. Online available: https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1796 [last accessed 05/06/2026].

Other papers:

- *Code of Corporate Governance Annual Review 2025*, Audit and Scrutiny Committee, 5th February 2026. Online available: Epsom and Ewell Democracy [last accessed 05/06/2026].

EPSOM & EWELL BOROUGH COUNCIL

Annual Governance Statement **2025-2026**

Date: July 2026

1. Executive Summary

Following the government's announcement and plans for Local Government Reorganisation (LGR), we continue our drive to work as efficiently and effectively as possible in delivering our strategies and services, while prudently managing our assets, income and expenditure.

Governance can be defined as comprising "the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The fundamental function of good governance in the public sector is to ensure that [local authorities] achieve their intended outcomes while acting in the public interest at all times." Governance includes processes, procedures, policies, administrative systems, legal arrangements and so forth, "through which [an organisation's] objectives are set and pursued in" their environmental context, while "ensuring that stakeholders can have confidence that their trust in [the organisation] is well founded."

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

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

Our assessment of the status of our governance, for the year ending 31 March 2026, indicates that we generally have a sound foundation of governance, systems of internal control and risk management in place. However, there are some areas where we can further improve. These areas may impact our ability to manage risks effectively and achieve our aims and objectives. Yet we are aware of these issues, outlined in Section 3, and have plans in place to address them.

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

[1] CIPFA (2016) Delivering Good Governance in Local Government Framework, 2016 Edition. CIPFA: London.
[2] See the following sections: "Rationale for the Statement's Assurance Opinion" and the "Action Plan".
[3] HM Government (2024) Best value standards and intervention: a statutory guide for best value authorities, Dept. for Levelling Up, Housing & Communities. Online available: https://www.gov.uk/government/publications/best-value-standards-and-intervention-a-statutory-guide-for-best-value-authorities/best-value-standards-and-intervention-a-statutory-guide-for-best-value-authorities#best-value-powers [last accessed 03/07/2026].

Given the council is being combined with neighbouring authorities to form a new larger unitary council in March 2027, setting long-term goals beyond this date is redundant. Similarly, significant investments and spend in continuous organisational improvement is less likely to happen, as the value of these will not be realisable in the next year, and the new unitary authorities will have their own initiatives. To that end, we will bring to a close the Corporate Peer Challenge action plan, at the July 2026 Council meeting. We also face the challenge of managing our workforce and delivery of services in an environment of uncertainly and accommodating the additional LGR work alongside our business as usual activities.

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

Gaining assurance for the review

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

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

Compliance with CIPFA Financial Management Code

CIPFA published its first edition 'Financial Management Code' for local authorities in October 2019. CIPFA considers that compliance with this Code is mandatory for all local authorities although such compliance is not specifically mandated by statute. The

[4] CIPFA (2023) *Developing an effective assurance framework in a local authority*, December 2023. Online available: https://www.cipfa.org/cipfa-thinks/briefings [last accessed 03/07/2026].

code is essentially a best practice guide to financial management in the local authority sector. It covers the following areas:

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

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

Subsidiary Company

The council has one subsidiary company – Epsom & Ewell Property Investment Company Ltd (EEPIC) – a 100% wholly owned trading company of the council. It was set up in September 2017 to provide the council with the flexibility to undertake commercial trading activities in property investment. In accordance with Government guidance introduced in April 2018, no further out of Borough property investment acquisitions have been made. As the sole shareholder of EEPIC, the council ensures strong governance through regular meetings of the Shareholder Sub-Committee. It approved EEPIC's Annual Business Plan and noted the Annual Review at its meeting on 18 November 2025 (in compliance with the Shareholder Agreement).

In addition to its role as shareholder, the council is also EEPIC's lender with separate governance provided through Strategy & Resources Committee for loan agreement matters. There were no loan agreement matters requiring committee approval in 2025/26. EEPIC Board Meetings are held quarterly with quarterly management and finance monitoring reports submitted to the council's S151 Officer to ensure loan monitoring compliance.

As a property investment company holding property investment assets for income generation, the key risks to EEPIC are tenancy void periods i.e. tenant default or tenant failure to renew at lease expiry. To mitigate these risks, EEPIC holds long term leases (the shortest lease in the portfolio does not expire until 2036) and quarterly management reporting ensures Directors are kept fully informed of tenant matters. All Directors are senior officers of the council, and all have received appropriate training.

Statutory Assurances

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

Head of Paid Service

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

The Head of Paid Service continues to have significant concerns around the impact of the unprecedented increase in both the cost and demand for temporary accommodation on the council, particularly as this is a statutory requirement and must be met. We continue to face service and economic pressures and whilst the council remains relatively financially stable, this situation would be unsustainable in the longer term, without the context of LGR.

The Local Government Reorganisation (LGR) announced in December 2024 has placed Surrey on an accelerated timeline to Unitarisation, which has required a wholesale reconsideration of longer-term plans and priorities.

Staff turnover remains relatively stable but the workload of LGR has begun to impact on capacity, which we are monitoring closely. Our priority remains delivery of statutory services followed closely by LGR transition. A number of key staff are involved with transition workstreams and shadow / unitary authority preparation and this will continue up until vesting day in April 2027 and beyond.

Chief Financial and Section 151 Officer

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

While the council continues to operate within a robust framework of financial management and governance, it is important to reiterate that the 2026/27 budget was set at a time of continued discussion around Local Government Reorganisation (LGR) in Surrey. We now have more clarity on the future and transition to East Surrey Unitary Authority. The evolving policy environment reinforces the importance of strong financial management, resilience, and flexibility to ensure the council is well-placed to respond to future change and safeguard service delivery.

The council approved its Medium-Term Financial Strategy (MTFS) 2025–2029 during 2025/26. The MTFS provides a clear framework for stakeholders, setting out the council's medium-term financial plans to support the delivery of corporate priorities while addressing the projected future budget gap and maintaining the organisation's financial sustainability. Financial risk remains elevated, particularly in relation to rising service demand, most notably temporary accommodation, ongoing uncertainty regarding the future structure of the council. However, the council has benefited from the outcomes of Fair Funding Review 2.0, which has helped to improve its funding position and avoid the need for a major savings programme. Nevertheless, prudent financial management has remained a priority, with a healthy level of reserves and provisions maintained to mitigate risks as far as reasonably possible.

Monitoring Officer

The Monitoring Officer (Head of Legal Services – including oversight of Democratic Services and the Elections Team) continues to discharge the statutory functions set out in Sections 5 and 5A of the Local Government and Housing Act 1989, ensuring that any actual or potential unlawfulness, maladministration, or injustice arising from council actions is identified and reported to Members in a timely manner.

During 2025–26, the Monitoring Officer's governance activity has included strengthened oversight of ethical standards and member conduct, consistent with annual reporting practices across Surrey authorities. The Monitoring Officer has maintained active monitoring of the Members' Code of Conduct, including:

- operation of the regime for registration and declaration of interests, and
- the handling and assessment of complaints concerning member conduct

Constitutional Review and Community Governance Review:

The council's Constitution was reviewed and updated during the year, with further work continuing in areas affected by wider Local Government Reorganisation (LGR). A review of whether to proceed with any further work will be undertaken in the new municipal year in consultation with the Chair of Standards and Constitution Committee.

At a Full Council meeting held on 12 March 2026, a decision was taken to end the Community Governance Review commenced in June 2025.

Local Government Reorganisation (LGR)

Consistent with the governance context reported by Chief Executives and Chief Finance Officers across Surrey, the council has continued collaborative work with Surrey authorities on the LGR submission. Activity during 2025–26 has focused on:

- preparations for the design and implementation of future governance frameworks in partnership with neighbouring authorities that shall join together to create East Surrey Council (with East Surrey Shadow Authority to oversee its creation after the elections held on 7 May 2026);
- ensuring that any proposed structural changes are compatible with—or are accompanied by lawful amendment to the council's existing constitutional arrangements; and
- maintaining clear assurance that all transitional and future governance models meet relevant statutory, regulatory, and ethical standards.

The Monitoring Officer will continue to monitor and advise on all governance, constitutional, and ethical compliance matters arising from the LGR process into 2026 until 1 April 2027.

Internal Audit Annual Opinion[5]

The Southern Internal Audit Partnership's Deputy Head of Partnership has stated:

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

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

External Audit

External auditors Grant Thornton provided an unqualified (i.e. favourable) opinion in February 2026 on the 2024/25 Statement of Accounts.

The Auditor also has a responsibility to review the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria, see below:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

In the report issued in February 2026, they reported the improvements compared to last year, and that there was nothing to report in respect of whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

You can find the Audited Accounts for 2024/25 here:

https://www.epsom-ewell.gov.uk/sites/default/files/documents/council/about-council/financial-reports/FINAL%20Statement%20of%20Accounts%202024-25%2013.02.26.pdf

You can also find the Audit Finding reports here:

The Audit Findings

The draft set of 2025/26 Statement of Accounts was published on 30 June 2026 along with the Value for Money assessment.

[5] Please note our Internal Audit function is delivered by the Southern Internal Audit Partnership (SIAP), operated by Hampshire County Council. This paragraph is a direct quote from the *Annual Internal Audit Conclusion 2025-26*, prepared by SIAP's Deputy Head of Partnership. It is available in the committee papers for this meeting. The meaning of "reasonable" is defined in sections 4 and 9 of the annual report.

Once this is published the auditors review will consider the 2025-26 Statement of Accounts and Value for Money arrangements and report back to Audit and Scrutiny Committee.

You can find the draft Statement of Accounts 2025-26 here once it has been published:

Financial Reports | Epsom and Ewell Borough Council

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

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

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

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

[6] We have referred to Basildon Council's criteria to inform this section's assessment (last accessed 03/07/2026).

Please note

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

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

Core CIPFA governance principle	Overall assessment	What's working well	Where we can improve
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		1. We have updated our officers Code of Conduct. 2. Our Constitution continues to be reviewed and updated to reflect changing circumstance, particularly around Local Government Reorganisation (LGR). 3. We have achieved our targets for time taken to process complaints over the year. 4. We produced our annual Diversity, Equity and Inclusion Framework report for 2025/26 and have an action plan for 2026/27 in place.	1. Our Health and Safety policies have been updated and will have their final review by the Council's Health and Safety Group on 14th July. [Health and Safety Action Plan]. 2. We are awaiting further clarity regarding how we fully comply with the LGR Section 24 requirement. We are discussing with the relevant LGR workstream [AGS Action Plan].
B. Ensuring openness and comprehensive stakeholder engagement		1. Our Procurement Strategy has been updated. 2. A Partnership Governance Framework has been developed for officers. 3. Our Enforcement Team and joined patrols with Town and Country Housing. 4. Dedicated LGR communications available on staff intranet.	1. We are not planning any Borough-wide / non-statutory consultations. However, we are feeding data into the development of the strategic plans for the new Surrey unitary councils, who will pick-up consultation activity post-Vesting day.
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits		1. We delivered our 2026 Arts, Culture and Heritage Strategy objectives. 2. In our Climate Change Action Plan update we noted a 19% reduction in operational emissions since 2019/2020. 3. Health and Wellbeing Strategy approved	1. We are not developing our own strategic/corporate plan, but are contributing to the development of the plans for the new Surrey unitary authorities.
D. Determining the interventions necessary to optimise the achievement of the intended outcomes		1. We have appointed officers in LGR roles. 2. ICT are rolling out a new telephony system which aligns with our new digital ways of working.	1. We are not currently undertaking long-term strategic planning due to LGR, however officers will continue to feed into the development of East Surrey Unitary Authority [AGS Action Plan].

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it		1. Managing change training delivered to managers.	1. We're behind our target for long-term sickness, People and Organisational Development are proactively supporting managers [Corporate Performance Report]. 2. We are still upgrading elements of our ICT systems and infrastructure [AGS Action Plan].
F. Managing risks and performance through robust internal control and strong public financial management		1. We set a balanced budget for 2026/27. 2. Treasury Management income has continued to achieve target over the year. 3. Comprehensive ICT cyber security awareness training has been delivered.	1. There are 2 red / high risks on our Corporate Risk Register and 4 on our committee risk registers. For the most recent updates on these risks please see our Quarter 4 Corporate Performance Report [Corporate Performance Report].
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability		1. Internal and External Audit, and budget monitoring reports, have reported to Audit and Scrutiny Committee throughout the year. 2. The Internal Audit Plan for 2026-27 has been agreed by Audit & Scrutiny Committee. 3. We created a central list and repository for corporate policies for officers. 4. We have used our e-tendering platform for all applicable procurements over the year. 5. External Audit has closed their observation regarding transparency that was raised last year.	1. We currently have outstanding Internal Audit management actions which we aim to complete before Vesting Day for East Surrey Unitary Authority. If any remain, these will be captured so the new authority is aware [AGS Action Plan]. 2. We have a project underway to review all our Video Surveillance Systems and accompanying processes [Service Delivery Plan]. 3. We are exploring whether we will continue to require external legal support post-Vesting day and are discussing with the relevant LGR workstreams [AGS Action Plan].

Seven Best Value Themes[7]

Best Value theme	Overall assessment	What's working well	Where we can improve
1. Continuous improvement		1. Governance improvement actions are included in the final section of this Statement.	1. Local Government Reorganisation (LGR) has led us to refocus on preparing for Vesting Day for East Surrey Unitary Authority. However, we remain committed to delivering essential service delivery improvements and upgrades. 2. Slippage in the delivery of our ICT Strategy [Quarter 4 Performance Report].
2. Leadership		1. Our financial accounts audits are up to date. 2. Corporate Leadership Team undertook a leadership programme to prepare for leading through LGR. 3. Managing Change training has been delivered to managers. 4. A managers network has been created.	
3. Governance		1. Internal Audit assessed overall governance at the council to be "reasonable". 2. We have a risk-based internal audit plan, with regular progress reports brought to Audit and Scrutiny Committee. 3. Comprehensive ICT cyber security awareness training has been delivered.	1. We are reviewing our cyber security response plans to see if added value can be achieved through the consolidation of existing plans [AGS Action Plan]. 2. We have 20 overdue internal audit management actions reported at the March 2026 Audit and Scrutiny Committee meeting. We are working towards having no overdue actions by 31 March 2027 [AGS Action Plan].

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

4. Culture		1. Staff turnover is on target. 2. A new officers Code of Conduct has been launched.	1. We continue to explore how we contend with LGR in the context of officer development, retention and recruitment, which will be challenging [Corporate Performance Report].
5. Use of resources		1. We are proactive with our treasury management investment, which provides a return that is above target. 2. We received an unqualified (i.e. favourable) opinion in February 2026 regarding our 2024/25 Statement of Accounts. 3. We have begun many building upgrades as part of our Capital Programme.	1. Temporary accommodation costs continue to place a significant strain on our finances [Corporate Performance Report].
6. Service delivery		1. Service plans, including service risks and performance indicators are in place for 2026/27. 2. Our service delivery key performance indicators have largely all been on track across the year. 3. ICT are rolling out a new telephony system which aligns with our new digital ways of working.	1. Resourcing LGR continues to put a strain on capacity across most council teams.
7. Partnerships and community engagement		1. We have worked effectively with a local partners on delivering government grants and supporting refugee schemes and homelessness prevention over the year, and the Young Legends programme. 2. We are working closely with the new Operator of the Rainbow Leisure Centre to deliver their Active Communities Programme.	

		3. We have developed a Partnership Governance Framework for Officers. 4. We have completed our new Borough Profile. 5. We delivered two consultations using a new online platform (paper copies were also available) on a proposed Community Governance review, which was a key factor in deciding the outcome of the proposal.	

4. Action Plan

2025-26 Annual Governance Statement Action Plan

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

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
Review and enhance recruitment and retention policies and procedures for key roles across the council	31-Mar-2024	30-Sep-2025	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. 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. 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.		Completed	01-Aug-2025
Review and update IT policies as necessary	31-Mar-2024	31-March 2026	Acceptable Use Policy (AUP): Finalised and formally approved, with updates reflecting enhanced cyber security controls, audit recommendations, and explicit		Completed	11 – May 2026

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
			coverage of AI and modern collaboration tools. Password Policy: Finalised and approved, aligning password standards with current security best practice and supporting the council's wider information security framework.			
2023/24 - IT AGS action	31-Mar-2024	~~31-Mar-2026~~ 30-Sep-2026	Action ongoing: approaching next IT health check and expecting Cabinet Office to attend to review, expecting positive outcome. Delayed due Cabinet Office communications. Hence new due date set.		Slippage	11-May-2026
2023/24 Councillor Training - review and enhance the councillor training and development programme	31-Mar-2025	31-Oct-2025	This action has been cancelled due to Local Government Reorganisation. Hence it will be closed on the action plan.		Closed	17-Apr-2026
Management capability -to enhance management capability to lead through change, by delivering a new	31-Mar-2026	31-Mar-2026	Managing Change for Line Managers training sessions were set up for 21 April, 12 and 18 May with those that manage people booked on. Training for all staff is set up for June/July. In addition, we have a number of colleagues attending external		Completed	08-Jun-2026

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
development programme.			development programmes funded through the corporate training budget. Action completed: all training has been delivered/arranged.			
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~~ 30-Sep-2026	An updated information pack was provided to Maple to inform further development of Version 2, ensuring alignment with audit requirements and practical incident response arrangements. Work continues to align the developing Cyber Security Response Plan supporting a single, coherent response approach. ICT consultant reviewing latest edition of plan (V3), awaiting their response.		Slippage	11-May-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	31-Mar-2026	31-Mar-2026	No further progress has been made with respect to using AI aside from occasional use of CoPilot. Central Government has awarded contracts to Google to test AI software for		Completed	14-Apr-2026

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
team with automation.			processing minor householder applications, and this will continue through 2026. This has no immediate impact on the council. Further development will be dependent on East Surrey Unitary authority requirements, so this action has been assessed as complete.			
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~~ 31-July-2026	Additional documents requested by the Inspector submitted by 10 April 2026 deadline. This led to a public consultation over May-June 2026. A further hearing is scheduled to take place on 2 July to consider the matters consulted upon.		On track	25-Jun-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 2025-27 were taken to Full Council on 6th May 2025 and approved as the council's priorities for the next two years ahead of LGR.		Completed	08-Aug-2025
Performance appraisals of the manual workforce -	30-Sep-2025	31-Mar-2026	A tailored form specifically for the Community Services driver technician, wellbeing coordinator, and kitchen		Completed	07-May-2026

Issues Identified	Original Due Date	Due Date	Commentary	RAG Status	RAG Status	Latest Update
to Develop a suitable My Performance Conversation process for our manual workforce			team has been developed. All areas with manual workforce now have a fit for purpose MPC process.			
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.GT have now closed this action in their reports, therefore this action will close and the meetings with stakeholders will continue as BAU.		Completed	05-May-2026

2026-27 Additions to the Annual Governance Statement Action Plan

Issues identified	Action to be taken	Due date
Ensure any outstanding audit actions are carried forward into the new East Surrey Authority so that they are not lost	Work towards completing all actions on schedule, and if unsuccessful, highlight in new service plan for East Surrey.	31 March 2027
Long-term strategic planning, objective setting will be needed as we move into LGR	Begin longer term planning under East Surrey. Epsom and Ewell officers to feed into East Surrey planning.	31 December 2027
External Legal support beyond April 2027	Await the design phase of LGR (c.Q3 2026) to determine if an extension will be necessary and if our partner council will have capacity to offer future support [initial discussions held].	31 March 2027
Corporate Compliance with Section 24 LGR direction	Continue discussions with the relevant LGR leads to provide clarity over requirements. Corporate Governance and Strategy team to introduce mechanism to ensure Epsom and Ewell compliance based on guidance from Shadow Authority (when available).	31 July 2026
Continued reliance on ICT legacy / extended-support infrastructure components.	Risks recorded and mitigations applied; long-term resolution to be progressed through unitary authority technology roadmap.	31 March 2027
Development Management: update procurement process for all contracts	Integrate with current governance model.	31 August 2026

5. Executive Confirmation

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

Signed on behalf of Epsom & Ewell Borough Council:

Chair of Strategy & Resources Committee	**Chief Executive**
Date:	Date:

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USE OF URGENT DECISIONS ANNUAL REPORT

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Will Mace
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 - Summary of Urgent Decisions made in consultation with committee Chairs Appendix 2 – Process for UD158

Summary

In accordance with the Council's Scheme of Delegation to officers, this report sets out urgent decisions taken by officers in consultation with committee Chairs for the period 3 June 2025 to 10 June 2026. This report also includes an Appendix 2, which sets out the process followed by Urgent Decision 158.

Recommendation (s)

The Committee is asked to:

(1) Note the urgent decisions taken by officers, in consultation with relevant committee Chairs, recorded using urgent decision forms from 3 June 2025 to 10 June 2026, and the process followed for Urgent Decision 158.

1 Reason for Recommendation

1.1 The Scheme of Delegation, Appendix 2 of the Constitution, requires a report to be presented annually to the Audit and Scrutiny Committee setting out urgent decisions taken under delegated powers. At its meeting in February 2026 a request was made for further information on the process followed for Urgent Decision 158.

2 Background

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

2.2 Urgent decisions in the context of this report, are those decisions taken by the Chief Executive or one of the Directors, in consultation with the relevant committee Chair on a matter that would ordinarily have been considered at committee, but which for reason of urgency, has to be taken outside of the normal committee cycle. The decisions are recorded using a decision form, which sets out the rationale for the decisions, much the same as a committee report. Councillors are notified of any decisions taken via this process through Members News, and the decisions are then reported to the next scheduled meeting of the relevant committee.

2.3 Appendix 1 provides a record of decisions taken under delegated powers from 3 June 2025 to 10 June 2026. A total of 6 decisions were taken during the period, last year 22 were reported. This does not include the forms which were cancelled or duplicates.

2.4 Following a proposal by Cllr Ames at the February 2026 meeting, the Committee agreed to add an item to their Work Programme regarding the process followed for Urgent Decision 158. It was noted that the decision could not be reviewed or undone, but the committee could propose improvements to the process for future use.

2.5 Since the last committee the Chief Executive has worked with Councillors Beckett, Coley and Lawrence to further improve the comprehensiveness of information included on the decision forms. There is an outstanding matter regarding how to publish these forms, which is waiting for an opportunity for resource to become available to devote to looking at this.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 No direct implications from this report.

3.2 Crime & Disorder

3.2.1 No direct implications from this report.

3.3 Safeguarding

3.3.1 No direct implications from this report.

3.4 Dependencies

3.4.1 None.

3.5 Other

3.5.1 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(s).

4 Financial Implications

4.1 As set out in individual decision forms and signed off by the Chief Finance Officer.

4.2 **Section 151 Officer's comments**: No direct financial impact arises from this report.

5 Legal Implications

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

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

6 Policies, Plans & Partnerships

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

- N/A

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

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

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

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

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

7 Background papers

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

Previous reports:

- Epsom & Ewell Borough Council (2025) *Use of Delegated Powers Annual Report*, Audit and Scrutiny Committee, 17 July 2025. Online available: https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1796 [last accessed 26/05/2026].

Other papers:

- None.

Appendix 1: Summary of Urgent Decisions

Officer Title requesting the decision	Responsible Committee	Form No.	Date Issued / Signed by CEX/S151/ DofEHR	Subject	Date Reported in Members' News	Reason for Use of Urgent Decision Form	Financial Implications	Source of Funding
Interim Assistant Head of Service - Streetcare	Nonsuch JMC	155	19/06/2025	Serve notice on an unauthorised encampment in Nonsuch Park	20/06/2025	It was necessary to make this decision within 24 hours so there was insufficient time to schedule a special JMC public meeting. Delaying this decision until the next JMC would seriously prejudice the interest of the Council and local residents.	Any costs incurred could be recharged to the Nonsuch JMC.	N/A
Interim Assistant Head of Service - Streetcare	Nonsuch JMC	156	29/07/2025	Serve notice on an unauthorised encampment in Nonsuch Park	28/08/2025	It was necessary to make this decision within 24 hours so there was insufficient time to schedule a special JMC public meeting. Delaying this decision until the next JMC would seriously prejudice the interest of the Council and local residents.	Any costs incurred could be recharged to the Nonsuch JMC.	N/A
Head of Planning Policy and Economic Development	LPP	157	26/08/2025	Local Plan: to ensure the new Head of Planning Policy and Economic Development has the same nomination and authority as the previous Head of Place Development when it comes to the Local Plan at Examination	28/08/2025	Decision was required before the next meeting of the Licensing and Planning Policy Committee.	N/A	N/A
Assistant Director, Corporate Services	S&R	158	17/12/2025	Finalisation of contract with new operator of the Rainbow Leisure Centre	30/12/2025	Details for this decision are Exempt, councillors could view these in hard copy format only at the Town Hall.	Exempt decision	Exempt decision

Head of Property and Regeneration	S&R	159	06/03/2026	Sale of 70 East Street recommendation	06/03/2026	To place 70 East Street under offer to demonstrate willingness to progress the sale as soon as possible, which was before the next scheduled committee meeting.		
Head of Housing and Community	C&W	160	17/04/2026	To enable the Housing and Homelessness service to enter into an agreement for Turningpoint, to undertake the reviews function of negative homelessness and housing register application decisions, as is an applicant's statutory right.	28/05/2026	Appointing a contractor to perform statutory independent housing reviews. The timings of the procurement process did not coincide with committee timings, whereby waiting to the next scheduled meeting, or calling an extraordinary meeting, would expose the council to significant risk.	£5,000	Existing budgets

Appendix 2: Process followed for UD158

The scrutiny of the process followed for Urgent Decision (UD) 158 has been structured according to the relevant section of the Council's constitution: Appendix 2 – Scheme of Delegation to Officers (Date of issue: 13/05/2025, updated 11/08/2025, pdf page number 30-32). The UD in question has been mapped to the steps below:

3. Taking decisions, including urgent non-delegated decisions

3.1. The Chief Executive and Directors are authorised to take decisions on grounds of urgency regarding matters which would otherwise be reserved for determination by a Committee or Council. A matter can be deemed urgent if, in the reasonable opinion of the officer concerned, a delay would seriously prejudice the interest of the Council or of the public and it is not practicable to convene a quorate meeting of the relevant decision-making body in sufficient time to take the decision.

A decision was needed on the 17th December to ensure that contract negotiations regarding the Rainbow Centre could be progressed. The next scheduled meeting of the Strategy and Resources Committee was not until the 27th January 2026.

This matter related to a key element of the contract which needed to be resolved before the formal contract signing process could begin.

The interests of the Council and tax payers related to not having a formal contract in place, which risked contract breakdown and could have resulted in substantial financial losses to the Council through management fee losses, re-tendering of the contract, and maintaining the Centre without an operator, plus uncertainty for the Centre staff. Further delays would also put at jeopardy the operator's time-based investment plans which were a linchpin of their bid to operate the leisure centre, hence the risk of contract failure.

Please note the details of the decision were (and remain) considered commercially sensitive and are restricted. Councillors were able to ask for details of the urgent decision by contacting the Executive Support team.

The officer concerned shall also

i. Advise and seek the views of the Chair and/or Vice Chair of the appropriate Committee at the earliest opportunity.

The Chair was briefed and consulted in advance of producing the urgent decision and then sent the urgent decision form, the final version of which was approved on the 17th December 2025.

ii. Report the matter to the next scheduled meeting of the appropriate Committee; and

UD158 was reported to the Strategy and Resources Committee on Tuesday 27th January 2026.

iii. Ensure all members are advised at the earliest opportunity (via MemberNews currently).

The notification of the Urgent Decision was published on MembersNews on 30th December 2025, including the need for councillors to contact Executive Support for further information. We acknowledge this should have been done sooner but there was a small delay to this as a result of the Christmas break

3.2. In taking any decision, the officer concerned must be satisfied that the following issues have been considered and actions taken where appropriate. All of these issues should be considered at the earliest possible stage:

i. The views of the relevant committee Chair following the application of the consultation criteria set out in paragraph (iii) below.

The Chair was consulted, as noted above.

ii. The implication of any council policy, initiative, strategy or procedure. Officers need to be aware of any potential impact of a delegated decision in other areas. In such cases, consultation with officers, relevant committee Chairs and local councillors, where the issue relates to a specific area, should take place.

The matter related to a specific case, which would not impact wider council policies. However, had the urgent decision not have been pursued, and the risks materialised, there would have been an impact on the Council's Health and Wellbeing Strategy as well as its wider finances.

iii. Consultation and the views emanating from that process.

Views from the Council's external legal advisors, leisure consultants, and Head of Property and Regeneration were sought as part of process.

iv. The range of available options.

The alternative option of delaying the decision to the next scheduled Committee meeting would have increased the risks noted above in 3.1 to an unacceptable level.

v. The staffing, financial and legal implications.

Financial and legal implications were considered as noted above and below. There would have been no impact on Council staff, however there were potential risks for Centre staff (and subcontractors) should the contract not have been agreed.

vi. The assessment of any associated risks in accordance with the council's Risk Management Strategy.

Risks were assessed as part of the urgent decision. The key risks have been noted above in 3.1.

vii. The involvement of appropriate statutory officers.

Chief Executive, Section 151 Officer and Monitoring Officer consulted. Note: the Council appointed specialist external legal advisors for this project who were consulted and supported the council on legal matters. The matter was discussed with the Chief Executive at Strategic Leadership Team meetings prior to the decision being taken, and has been confirmed by her in an email to the Audit and Scrutiny Committee, that she, as Proper Officer, made the decision that this matter should be exempt given the commercial sensitivity of the issue, considering the advice provided to her.

viii. The relevance of any regional or national guidance from other relevant bodies.

Not applicable for this matter.

ix. The council's Constitution, its contract and financial procedures and regulations, all relevant guidance, legislation and codes of practice.

The urgent decision process, which emanates from the Scheme of Delegation in the Council's Constitution, was followed as evidenced here.

x. The need to secure Best Value.

The financial implications of the decision were considered, in light of the total contract value and risks of not resolving the matter at this time. Officers' and the Chair's view was that Best Value was best achieved in the circumstances, for the council and residents, by proceeding with this urgent decision.

3.3. In order to assist with the above, arrangements should be made by relevant officers to deal with times of absence, such as holidays. This could, for example, be through a named alternative.

Not applicable in this case.

4. Scrutiny

4.1. For the purposes of Audit and Scrutiny Committee:

i. A report should be presented annually to the Audit & Scrutiny Committee setting out significant delegated decisions taken by officers under delegated powers in the previous year.

Urgent Decision 158 is included in the annual urgent decisions report, which this document is appended to, for the Audit and Scrutiny Committee meeting on 16th July 2026.

ii. Any councillor may request that (with the exception of decisions made by the Planning Committee and licensing hearings) decisions taken by officers under delegated powers are scrutinised by the Audit and Scrutiny Committee.

This report (Appendix 2) was requested by the Committee at their February 2026 meeting.

iii. Any such scrutiny will not make any action taken as a result of the decision invalid. However, the scrutiny body will be able to recommend improvements to the process or a different course of action in future.

This report invites Audit and Scrutiny Committee members to consider and recommend improvements to the urgent decision, bearing in mind the work already undertaken recently by the Chief Executive and previously named members (see the Covering Report).

EXTERNAL AUDIT TRANSPARENCY REPORT

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
Report Author	Andrew Bircher
Wards affected:	(All Wards);
Appendices (attached):	None

Summary

To set out the Council's approach to improving transparency and lessons learned from prior year external audit findings

Recommendation (s)

The Committee is asked to:

(1) Note the report.

1 Reason for Recommendation

1.1 The committee asked for a report to be brought as part of its overall work programme surrounding the external auditor's findings of a lack of transparency in the Council's dealing with the external auditor and the raising of an issue of significant weakness in its 23/24 audit findings.

2 Background

2.1 At the Committee's meeting on the 6th February 2025, the Council's External Auditors presented their findings for year ending March 2024. In their findings report they raised a 'significant' weakness in respect of work done relating to the Council's Governance arrangements. Whilst they did not have an issue with the work itself and the rationale for doing so, they felt that they should have been informed at an earlier stage of the need to perform this work.

2.2 Following discussion of this matter at the meeting, the Committee requested a further report be brought to the Committee on the 17th July 2025. In summary, the Strategic Leadership Team's response was that the Council is committed to transparent decision-making and already follows good practice, including publishing papers, holding meetings in public where possible, maintaining scrutiny and audit oversight as well as other measures.

2.3 It accepts the auditor's comments around the need to ensure significant information is shared at an early stage and it has implemented measures to ensure opportunities to do this are formalised through meetings with the Director of Corporate Services (S151) and the Chief Executive.

2.4 In addition, the Leadership team stressed that restricted decisions are only used where absolutely necessary. The Council continues to promote openness and consider whether any further improvements are needed. The Director of Corporate Services (s151) added that in 2023/24, when the referenced External Auditors' finding was documented, the overall opinion was an unqualified audit opinion, which in order to come to that conclusion, the Council's arrangements would need to be satisfactory.

2.5 Following further discussion, it was requested that the report be brought back to the Committee in September 2025 to address the questions, queries and concerns raised by Members. It was also agreed that the Chief Executive would be present at the September meeting to respond to questions.

2.6 In the September 2025 report, more detail was added on how transparency has been strengthened in practice. The discussion in Committee considered the Council's arrangements for urgent decisions, exempt reports and transparency. Officers confirmed that the urgent decision process has been clarified, that great care continues to be taken to ensure reports are only deemed exempt where necessary, and that clear explanations for restricted items would continue to be provided in public papers.

2.7 The Committee also noted that regular engagement with external auditors and statutory officers had been introduced. It was further noted that external auditors will continue to review historic exempt reports and that progress will be monitored through existing performance and risk reporting arrangements.

2.8 At the November 2025 meeting, under the Work Programme item, Cllr Ames put forward his request for an item to be placed on the Committee's agenda. The Chair stated that in his opinion the matter had been dealt with at several meetings and particularly at the last meeting when the Chief Executive attended to respond to Committee's questions. It was agreed that this final report would be brought to committee to close this item. The original request was to bring it to the March 26 meeting but resource constraints have meant this is the earliest it has been able to be brought to committee.

2.9 At the February 2026 meeting, the council's External Auditors reported on the 2024/25 Statement of Accounts. In their Annual Report the External Auditors noted that the improvements in governance arrangements had been identified in relation to the previous weakness identified in 2023/24, and no new weakness had been identified. Therefore on p.21 of the report, they commented that "The LGA Peer Review also identified the need for a more transparent approach. We note that the Council has since updated its constitution, clarified delegation frameworks, and maintained regular and open engagement with audit, thereby addressing and closing the prior year's key recommendation."

2.10 In addition to the commentary above, the proposer of the item, Cllr Ames described the issue under consideration in an email (slightly edited) to the Assistant Director, Corporate Services:

2.10.1 Subject for discussion at next meeting

2.10.2 The circumstances around the apparent failure of the council to tell its auditors promptly or at all that it had made significant changes its governance arrangements which is said to have contributed to a finding by the auditors of a significant governance weakness.

2.10.3 Given that the council has implied that its failure to tell GT (Grant Thornton, the external auditors) of changes to its governance arrangements played a major role in a finding of a significant weakness, it is necessary for the committee (and public) to understand as clearly as possible how this failure arose and whether the means by which the council intends to avoid a recurrence are appropriate.

2.11 Further particular questions were asked:

2.11.1 When GT became aware of the changes to its governance arrangements and how

2.11.2 Exactly why they were not told earlier, including the mechanism by which they should have been informed

2.11.3 What GT said to council officers when they discovered that the changes had been made, including how significant an issue they considered both the changes and the failure to tell them were

2.11.4 Why the committee was not told promptly that GT had challenged the council over the failure to tell them about the changes

2.11.5 What part the failure to tell GT played in the finding of a significant weakness, compared to the failure to disclose the changes publicly, as cited in the GT February 2025 findings

2.11.6 Why the council did not disclose to the committee and the public earlier the extent to which the failure to tell GT about the changes led to the finding of a significant weakness

2.11.7 How the proposed remedy of "regular catch ups with the external auditor to ensure that any issues can be discussed and raised outside of the normal audit timetable" relates to the reason why GT were not told through routine channels.

3 Commentary on the points above

3.1 Taking each of the points above separately:

3.1.1 Question: When GT became aware of the changes to its governance arrangements and how

3.1.2 Commentary: When they reviewed the CPC report as part of the 23/24 External Audit, prior to reporting to A&S.

3.1.3 Question: Exactly why they were not told earlier, including the mechanism by which they should have been informed

3.1.4 Commentary: It is unclear why this was not raised earlier through the normal communication process (meetings with s151 officer) but the officers concerned are no longer with the council and therefore cannot provide that information.

3.1.5 Question: What GT said to council officers when they discovered that the changes had been made, including how significant an issue they considered both the changes and the failure to tell them were

3.1.6 Commentary: We are unable to comment on what GT said to officers, as those staff no longer work for the Council. The Chief Executive, Finance Director and Grant Thornton have all said that lessons have been learned from the process and GT are satisfied that it has been addressed.

3.1.7 Question: Why the committee was not told promptly that GT had challenged the council over the failure to tell them about the changes

3.1.8 Commentary: The GT report along with management commentary was taken to the next scheduled Committee as soon as the work had been completed.

3.1.9 Question: What part the failure to tell GT played in the finding of a significant weakness, compared to the failure to disclose the changes publicly, as cited in the GT February 2025 findings

3.1.10 Commentary: The issue as to when GT were informed was the primary reason GT noted the issue as a significant weakness

3.1.11 Question: Why the council did not disclose to the committee and the public earlier the extent to which the failure to tell GT about the changes led to the finding of a significant weakness

3.1.12 Commentary: The issue was reported to the committee at the first meeting after it had been completed in February 2025.

3.1.13 Question: How the proposed remedy of “regular catch ups with the external auditor to ensure that any issues can be discussed and raised outside of the normal audit timetable” relates to the reason why GT were not told through routine channels.

3.1.14 Commentary: By providing more opportunity for an effective ongoing dialogue, where issues can be raised and discussed early and over time, rather than at prescheduled audit fieldwork meetings which tend to have specific pre-programme issues / controls / process etc.

4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

4.1.1 None arise from this report.

4.2 Crime & Disorder

4.2.1 None arise from this report.

4.3 Safeguarding

4.3.1 None arise from this report.

4.4 Dependencies

4.4.1 None.

4.5 Other

4.5.1 None.

5 Financial Implications

5.1 **Section 151 Officer’s comments**: This matter does not have any financial implications.

6 Legal Implications

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

7 Policies, Plans & Partnerships

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

- None

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

7.3 **Climate & Environmental Impact of recommendations: None**

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

7.5 **Partnerships**: None

7.6 **Local Government Reorganisation Implications**: None

8 Background papers

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

Previous reports:

- A&S 30th September

COMMITTEE WORK PROGRAMME – JULY 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 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]

[1]See *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 27/05/2026].
[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 27/05/2026].
[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 [last accessed 27/05/2026].

2.2 Work Programme

Meeting		Agenda
Present	16 July 2026 (this meeting)	• Internal Audit Annual Conclusion and 2025-26 Plan • Annual Governance Statement 2025-2026 • Performance and Risk Report: 2025-2026 End of Year Report • Use of Urgent Decisions Annual Report ○ To include only scrutiny of the urgent decision process followed for UD158 (as per meeting February 2026) • External Audit Transparency Report • Placeholder: Local Government and Social Care Ombudsman (LGO) and Information Commissioner's Office (ICO) Updates – July 2026 • Local Government and Social Care Ombudsman Annual Letter 2025-2026 ~~• Placeholder: Priority Projects Update*~~ • Work Programme
Future	29 September 2026	• Revenue Budget Monitoring – Quarter 1 (2026-2027) • Capital Budget Monitoring – Quarter 1 (2026-2027) ~~• Internal Audit: Progress Report~~* • Performance and Risk Report - September 2026 • External Audit Findings Report and Auditors' Annual Report. • Placeholder: Local Government and Social Care Ombudsman (LGO) and Information Commissioner's Office (ICO) Updates – September 2026 • Work Programme
Future	12 November 2026	• Revenue Budget Monitoring - Quarter 2 (2026-2027) • Capital Budget Monitoring - Quarter 2 (2026-2027) • Internal Audit: Progress Report ~~• Code of Corporate Governance Annual Review*~~ • Final 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	• 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	18 March 2027	• Internal Audit: Annual Plan 2027-2028 and Internal Audit Charter* • Final Internal Audit: Progress Report • Final Annual Governance Statement (March 2027) and Code of Corporate Governance 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

2.3 Work Programme Requests: one request is being processed at the time of writing.

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, in particular due to Local Government Organisation resource commitments.

2.5 Updates to the Work Programme *

2.6 July 2026

2.6.1 The placeholder for the External Audit update has been removed as the report was provided at the March 2026 meeting.

2.6.2 Priority Projects Update: This report is not required as updates to current priorities are being reported to individual committees as required.

2.7 September 2026

2.7.1 Internal Audit Progress Report: SIAP advised that a report is not required as they are not expecting many updates since the July meeting, and there will be an update in November.

2.8 November 2026

2.8.1 Proposed that the Code of Corporate Governance Annual Review is removed, as its review can be included in the final Annual Governance Statement report in March.

2.9 February 2027

2.9.1 Performance and Risk Report: Propose this is removed as the final report will be brought to the March meeting, which will include the latest available updates.

2.10 March 2027

2.10.1 Internal Audit: Annual Plan 2027-2028 and Internal Audit Charter: This report may not be required due to Local Government Reorganisation.

2.11 Implications of LGR

2.11.1 As a result of LGR there are extra meetings which are needing to be accommodated by Epsom and Ewell on behalf of the Shadow Authority in addition to which there is increased pressure on officers to deliver on the work required to ensure the new authority can come into existence on vesting day. If there are reports that the committee does not wish to receive e.g. the RIPA report (we do not carry out RIPA surveillance), or complaints report in March, when there will be little chance to enact on any recommendations from the report, then that would help to ease the burden on officers.

3 Call-in Requests

3.1 No Call-in requests have been received since the last Committee meeting.

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 No direct implications arising from this report.

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.

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*, 19th March 2026. Online available: https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1800 [last accessed 27/05/2026].

Other papers:

- None.

ANNUAL INTERNAL AUDIT CONCLUSION 2025-26

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** – Annual Internal Audit Conclusion 2025-26 **Appendix 2** – Restricted Item

Summary

The purpose of this paper is to present the Annual Internal Audit Conclusion for 2025-26 (Appendix 1) in accordance with the requirements of the Global Internal Audit Standards.

Recommendation (s)

The Committee is asked to:

(1) To consider and note the Annual Internal Audit Conclusion 2025-2026.

1 Reason for Recommendation

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

2 Background

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

2.2 Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:

- ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk, and
- undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.

2.3 The Annual Internal Audit Conclusion for 2025/26 (attached at Appendix 1) provides the Chief Internal Auditor's opinion on the effectiveness of the framework of governance, risk and control and summarises audit work from which that opinion is derived for the year 2025/26.

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

- Internal audit was compliant with the Global Internal Audit Standards during 2025/26;
- The internal audit plan for 2025/26 has been fully delivered; and
- The Council's framework of governance, risk management and management control are considered to be 'Reasonable'.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 None for the purposes of this report.

3.2 Crime & Disorder

3.2.1 None for the purposes of this report.

3.3 Safeguarding

3.3.1 None for the purposes of this report.

3.4 Dependencies

3.4.1 None for the purposes of this report.

3.5 Other

3.5.1 None for the purposes of this report.

4 Financial Implications

4.1 There are no financial implications in this report.

4.2 **Section 151 Officer's comments**: No direct financial implications as a result of this report.

5 Legal Implications

5.1 There are no legal implications arising from this report.

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

6 Policies, Plans & Partnerships

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

6.1.1 Effective Council: Engaging, responsive and resilient Council.

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

6.3 **Climate & Environmental Impact of recommendations**: not applicable.

6.4 **Sustainability Policy & Community Safety Implications**: not applicable.

6.5 **Partnerships**: not applicable.

6.6 **Local Government Reorganisation Implications**: not applicable.

7 Background papers

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

Previous reports:

- None.

Other papers:

- None.

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Southern Internal Audit Partnership

Assurance through excellence and innovation

EPSOM AND EWELL BOROUGH COUNCIL

Annual Internal Audit Conclusion 2025-2026

Prepared by: Iona Bond, Deputy Head of Partnership

April 2026

1. Internal Audit Standards

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.

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.

2. Internal Audit Mandate

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

> *'5. (1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.*
>
> *(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—*
>
> *(a) make available such documents and records; and*
> *(b) supply such information and explanations*
>
> *as are considered necessary by those conducting the internal audit.'*

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

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

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

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

3. Internal Audit Approach

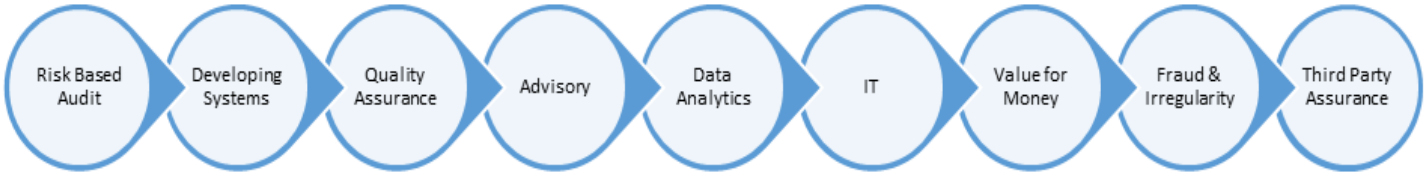
To enable effective outcomes, internal audit provides a combination of assurance and advisory activities. Assurance work involves objective assessment of how well systems and processes are designed and working, with advisory activities available to help to improve those systems and processes where necessary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

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

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

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

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



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

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

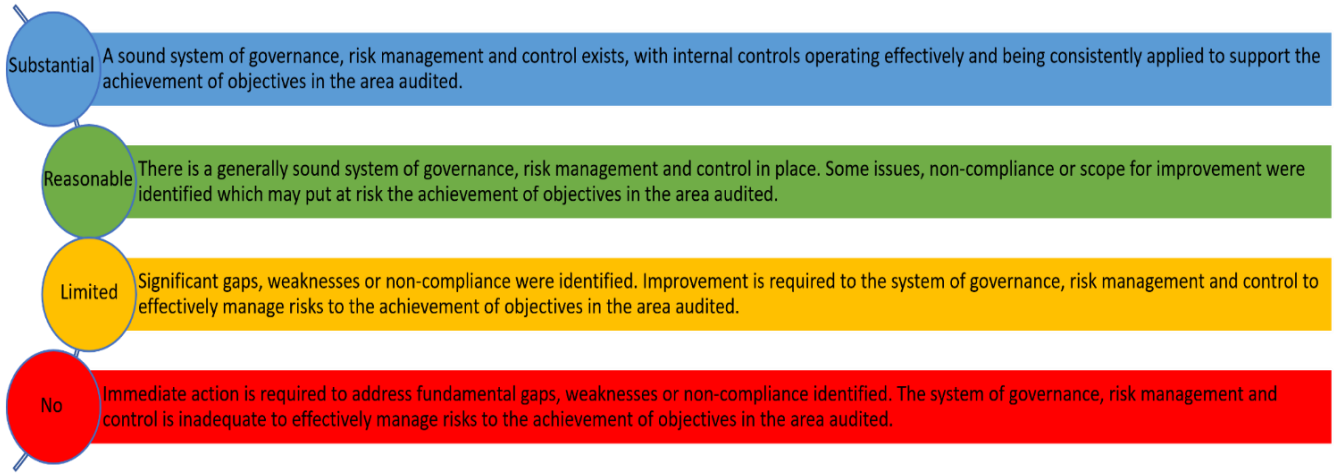
4. Internal Audit Coverage

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

The 2025-26 internal audit plan was considered by the Audit & Scrutiny Committee in March 2025. It was informed by internal audit's own assessment of risk and materiality in addition to consultation with management to ensure it aligned to organisational objectives / priorities and the key risks facing the organisation.

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

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



5. Resources

The Southern Internal Audit Partnership has a strategy in place to optimise internal audit resource. Ongoing sufficiency of resources (financial, human and technological) are transparently communicated by the chief internal auditor to senior management and the Audit Committee through regular reporting as part of the approval of the internal audit plan and further throughout the year as part of the progress reports and ultimately within the annual conclusion.

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

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

6. Independence

As your chief internal auditor, I retain no roles or responsibilities that have the potential to impair my independence, either in fact or appearance. Internal auditors engaged in the delivery of the 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 by the Southern Internal Audit Partnership related to the scope, performance, or communication of internal audit work during the year in the delivery of the internal audit plan or the fulfilment of the internal audit mandate.

7. Impairments

There have been no impairments to internal audit activity during the year. As chief internal auditor I have ensured that the internal audit function has remained free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication.

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

8. Limitations of Scope

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

9. Internal Audit Conclusion

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

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

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

We enjoy an open and honest working relationship with the Council. Our planning discussions and risk-based approach to internal audit ensure that the internal audit plan includes areas of significance raised by the Audit & Scrutiny Committee and senior management to ensure that ongoing organisational improvements can be achieved. I feel that the maturity of this relationship and the Council's effective use of internal audit has assisted in identifying and putting in place action to mitigate weaknesses impacting on organisational governance, risk, and control over the 2025-26 financial year.

Annual Internal Audit Conclusion 2025-26

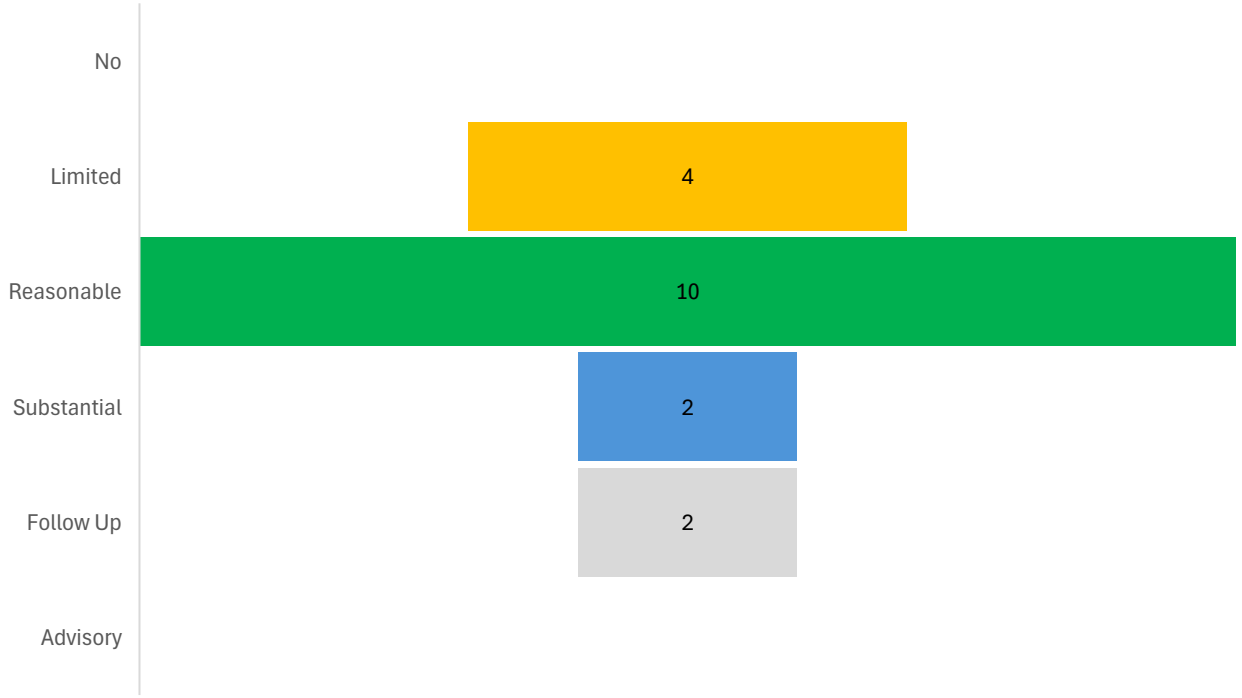
I am satisfied that sufficient assurance and advisory work has been carried out to allow me to form a conclusion on the adequacy and effectiveness of the internal control environment. In my opinion the framework of governance, risk management and control are '**reasonable'**, and audit testing has demonstrated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

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

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

Assurance opinions for 2025-26

Significant findings from our reviews have been reported to senior management and the Audit & Scrutiny Committee throughout the year and a summary of the assurance opinions is outlined below.



Governance

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

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

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

Risk management

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

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

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

Control

In general, internal audit work found there to be a sound control environment in place across the majority of review areas included in the 2025-26 plan that were working effectively to support the delivery of corporate objectives. We generally found officers and staff to be aware of the importance of effective control frameworks, and open to our suggestion for improvements or enhancements where needed. The key areas of challenge identified through our work are outlined below:

Playground Maintenance - Limited Assurance

Positively, we found that access to the Public Sector Software Live system is restricted to authorised users only, refresher training for users is provided by the software supplier and that photographic evidence of inspections can be uploaded onto the system. We also confirmed that records of post installation inspections for new equipment installed are carried out and clearly recorded. Safety signage is also recorded and subject to inspection.

However, we found that whilst there is an established process in place regarding inspections and maintenance, there is no policy in place to confirm the current approach. No documented procedures exist for staff to follow and in addition, there is no overall strategy in place to set the direction and objectives of the service. Although we were able to confirm that relevant staff carrying out inspections all had up to date Royal Society for the Prevention of Accidents (RoSPA) qualifications, renewal of this qualification is reliant on staff informing the Council of when it is due rather than proactive monitoring of expiry dates being undertaken by the Council.

We were also unable to confirm for two of the 19 sites evidence of the annual independent inspection taking place. We also noted that none of the high value equipment is separately listed within the Council's building insurance policy, which the Council's insurer has advised should be.

Spend on playgrounds cannot be filtered from the wider parks maintenance budget limiting the ability to identify if certain parks are causing any budget pressures.

HR – Use of Volunteers - Limited Assurance

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.

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.

Asset Management (Leased Properties) - Limited Assurance

The purpose of this audit was to review the processes and controls in place to ensure the Council's leased properties are effectively and efficiently managed.

Positively, we found that income and expenditure budgets have been set for each commercial property within the portfolio and these are reviewed monthly by the Head of Property and Regeneration. Variances against the commercial income budget have been included in the

annual outturn reports to the Strategy and Resources Committee, with quarterly budget reported to the Audit and Scrutiny Committee for budget monitoring purposes.

We also confirmed that vacant properties are marketed using an established commercial property marketing company and details of leases are recorded within a Master Tenancy Schedule spreadsheet to enable effective monitoring of key details, such as rent review dates.

However, we also identified that there were discrepancies between the Master Tenancy Schedule and the Fixed Asset Register in terms of the number of investment properties recorded. Additionally, analysis of the data included in the Master Tenancy Schedule found records were incomplete with several asset records missing details.

Comparison of details in the actual lease documentation and the lease master schedule spreadsheet identified some discrepancies.

Whilst there is a spreadsheet in place to record issues with leased properties that is updated as part of the one-to-one meetings between the Head of Property and Regeneration and the Property and Estates Manager we noted some details missing from the spreadsheet.

Although there are Asset Management Procedure Notes in place they had not been reviewed and updated since April 2022.

Other Sources of Assurance

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

Where appropriate internal audit does coordinate with and place reliance on the outcomes of other assurance providers to minimise duplication and highlight potential gaps in assurance needs.

Additionally, as chief internal auditor I liaise with the external auditors on matters of mutual interest and to seek opportunities for cooperation in the conduct of audit work.

During the year I have not been made aware of any other sources of assurance that contribute to my annual conclusion.

Management actions

Where our work identified risks that we considered fell outside the parameters acceptable to the Council, we agreed appropriate corrective actions and a timescale for improvement with the responsible managers. Progress is periodically reported during the year to the Audit Committee through our quarterly internal audit progress reports.

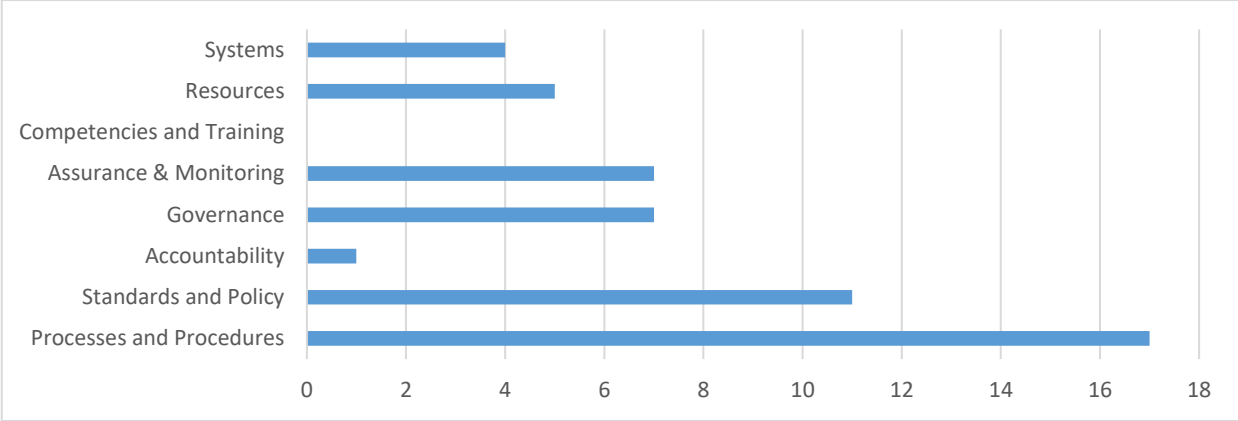
Acceptance of Risk

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

11. Themes

The findings and conclusions of multiple engagements, when viewed holistically, can reveal patterns or trends, such as root causes.

Analysis of root cause through assurance work undertaken across the organisation's framework of governance, risk management and control processes during the year has highlighted the following themes:



*Definitions to support root cause categorisations are detailed in Annex 3

12. Anti-Fraud and anti-corruption

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

Whilst not responsible for the detection of fraud within the Council, Southern Internal Audit Partnerships work during 2025/26 has not identified, and we have not been made aware of, any significant control deficiencies that may pose a significant fraud risk.

13. Quality Assurance and Improvement

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 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.

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

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**.'

14. Disclosure of Non-Conformance

There are no disclosures of Non-Conformance to report. In accordance with Global Internal Audit Standards in the UK Public Sector, I can confirm through endorsement from the independent external quality assessment that:

'The Southern Internal Audit Partnership 'generally conforms' to the Global Internal Audit Standards in the UK Public Sector and its work is performed in accordance with the International Professional Practices Framework'

15. Quality Control

Our aim is to provide a service that remains responsive to the needs of the Council and maintains consistently high standards. In complementing the QAIP this was achieved in 2025-26 through the following internal processes:

- On-going liaison with management to ascertain risk management, control and governance arrangements, key to corporate success
- On-going constructive working relationships with other assurance providers to maintain a cooperative assurance approach.
- A tailored audit approach using a defined methodology and assignment control documentation.
- Review and quality control of all internal audit work by professional qualified senior staff members.
- An external quality assessment against the industry Standards.
- Maintenance of Key Performance Indicators and ongoing overview of Internal Audit Strategy and Partnership objectives / actions (Annex 2)

16. Acknowledgement

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

Iona Bond
Deputy Head of Southern Internal Audit Partnership

Summary of Assurance Reviews Completed 2025-26

Annex 1

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.

- Procurement
- Fees and Charges

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.

- EPIC Governance Arrangements
- Car Parking
- Climate Change Strategy
- HR – Vacancy Management
- Payroll
- Environmental Health – Houses in Multiple Occupation
- Council Tax
- Tree Preservation Orders
- Development Management
- National Non Domestic Rates

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.

- Playground Maintenance
- HR – Use of Volunteers
- Exempt Item
- Asset Management (Leased Properties)

- *Assurance work is further supported by two follow up reviews – Information Governance and IT Cyber Security (Training and Awareness)*

Annex 2

Performance Measurement

Key Performance Indicators

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%	100%	✓	↑
2. Audits delivered within agreed timescales (% year to date)					
○ To issue of draft report	Ongoing	80%	23%	X	n/a
○ To issue of final report	Ongoing	80%	15%	X	n/a
3. Conformance with the Global Internal Audit Standards in the UK Public Sector	Annual	Generally conforms	Generally conforms	✓	⇔
4. Audits conducted optimising the effective use of data analytics (% year to date)	Ongoing	60%	70%	✓	n/a
5. Stakeholder satisfaction (annual survey)					
○ Audit Committee	Annual	90%	100%	✓	↑
○ Senior Management		90%	-	-	-
○ Key Contacts		90%	100%	✓	↑
6. Internal audit effectively communicates with key stakeholders					
○ Audit Committee	Annual	90%	100%	✓	↑
○ Senior Management		90%	-	-	-
○ Key Contacts		90%	100%	✓	↑
7. Sufficiency of input to and discussion of the internal audit plan					
○ Audit Committee	Annual	90%	100%	✓	↑
○ Senior Management		90%	-	-	-
8. Appropriate focus on key risks					
○ Audit Committee	Annual	90%	100%	✓	↑
○ Senior Management		90%	-	-	-
○ Key Contacts		90%	100%	✓	↑

* No survey responses received from senior management

Internal Audit Strategy 2025/28

Action	Target Date	Update	Status
Innovate to explore a more agile approach to the audit process, building efficiencies and producing more timely feedback to the organisation.			
Confirm expectations of Partners regarding desired reporting timelines and methodology.	Dec 2025	The Terms of Reference for each audit review provides a timeline of audit activity from initial scoping through the final report. This is signed and agreed by both SIAP and the client prior to commencement. Our KPIs provide outcomes of delivery against agreed targets.	Complete
Complete a detailed analysis of bottle necks in SIAP and external to the internal audit function.	April 2026	Data has been compiled throughout the year. Analysis will commence following completion of the 2025/26 internal audit plans	Ongoing
Benchmark with peer audit services and explore opportunities to make the process 'leaner' through auditor working group.	Dec 2026	Agenda item to be taken to 'Audit Together' and Local Authority Chief Auditor Network' which are two national forums representing over 150 local authorities to explore good practice.	Ongoing
Optimise the use of technology (including audit management software) to deliver efficiencies.	Dec 2027	Currently exploring opportunities to utilise Power BI and AI technologies	Ongoing
Embrace and prioritise conformance and embedding of the Global Internal Audit Standards in UK Local Government and maximising their potential to benefit the organisation and the internal audit function.			
Stakeholder, staff training & awareness and alignment of policies, procedures, practice and software to the GIAS in UK PS.	July 2025	A programme of training and staff awaydays have provided a robust overview of the GIAS in the UK PS to the SIAP team. This has been complemented through an updated suite of practice and procedure notes to fully reflect the expectations of the new Standards	Complete
Undertake a self-assessment of compliance with the GIAS in the UK PS	July 2025	A self-assessment against the GIAS in the UK Public Sector was completed in July 2025 and presented to the external assessor to help inform the External Quality Assessment.	Complete
Commission an early External Quality Assessment to assess compliance with the GIAS in UK PS.	Dec 2025	The External Quality Assessment was commission in July 2025 and delivered during September – December 2025. An outcome report was presented in December 2025 confirming 'general conformance' with the GIAS in the UK PS	Complete
Explore supplemental elements of the GIAS in UK PS Standards to fully assess value add.	Apr 2026	An action plan has been developed to explore suggested opportunities for improvement highlighted within the External Quality Assessment [December 2025]	Complete

Action	Target Date	Update	Status
Further engage with the organisation to enhance and optimise the full potential of data analytics in the internal audit process			
Implement a programme of training and awareness. Additional support through Data Analytic Champions	July 2025	Training and guidance have been delivered and remains in place for all SIAP staff. Data Analytic Champions are in place as a centre of expertise to support SIAP staff in the potential and use of data analytics.	Complete
Acquire software to support the effective use of data analytics.	Sep 2025	Knime has been acquired, implemented and utilised as our primary data analytic software. A further business case is being prepared to assess the addition of Idea to SIAPs suite of software solutions.	Complete
Refresh the existing data analytics strategy and promote a culture of data by default.	Apr 2026	Regular and ongoing training and awareness is provided to SIAP staff to embed the culture and concept of data by default. Additionally, a KPI has been developed to measure demonstrable application within the internal audit process. A review of the strategy will be undertaken during 2026.	Ongoing
Be assessed as 'data analytics enabled'.	Apr 2028	Our Data Analytics Strategy provides the framework to position the Partnership as data analytics enabled.	Ongoing

EQA Action Plan

Standard	Detail	Target Date	Update	Status
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	SIAP **fully achieves** Standard 1.1 Honesty and Professional Courage and Standard 1.2 Organisations 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	March 2026	The next scheduled ethics training session for the Partnership is in May 2026. The training pack is currently being updated to include practical ethical dilemmas, ethics scenarios and case studies, common challenges and how to deal with them.	Ongoing
3.1	SIAP **fully achieves** Standard 3.1, Competency. 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. 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.	July 2026	To arrange training and support to develop advisory skills to compliment future client needs (particularly in light of LGR & Devolution). All IT staff are appropriately required and must maintain comprehensive CPDs to maintain their professional accreditation. Additional training / qualification has been provided in respect of AI in recognition of its emerging prominence.	Ongoing Complete

Standard	Detail	Target Date	Update	Status
6.3 & 8.1	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.	February 2026	Discuss and present action plans to individual Partners developed following assessment of compliance with the Code of Practice for the Governance of Internal Audit in UK Local Government.	Complete
8.3	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.	December 2026	Ongoing implementation of actions within the QAIP. • 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 *Actions in relation to Code of Governance & Topical Requirement covered elsewhere in this action plan	Ongoing

Standard	Detail	Target Date	Update	Status
9.2	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.	N/A	No action – accepting of the fact that due to SIAPs multi-client provider status we will never fully achieve this standard.	N/A
9.4	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.	March 2026	Due to the timing of the EQA report and the development and presentation of the internal audit plans for 2026/27 we were unable to incorporate the suggested improvement. The internal audit plan template has now been updated to ensure future inclusion of all areas assessed as high priority that are not covered in the plan along with a reason for their omission.	Complete

Standard	Detail	Target Date	Update	Status
11.1 & 11.3	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.	April 2026	A quarterly bulletin is to be introduced highlighting key cross-cutting themes and areas of good practice. It is intended for the first bulletin to be issued during Q1 2026/27	Ongoing
12.3 & 13.5	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 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.	As per Strategy December 2025 to March 2027	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' KPIs have been put in place to help identify process bottlenecks.	Ongoing

Standard	Detail	Target Date	Update	Status
13.3, 13.4, &14.3	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.	March 2026 July 2026	A Practice Note has been developed and incorporated within SIAPs process to incorporate consideration of Topical Requirements Ensure root cause is appropriately captured at year end to inform themes to be incorporated within the Annual Conclusion(s)	Complete Ongoing

Root Cause Categories

Annex 3

Category	Definition	Example
Resources	The extent to which the service has sufficient, capable resources, enabling it to carry out all aspects of its operational duties efficiently and effectively.	Functions that had been carried out by a now non-existent post have fallen through the gaps; services have only enough resources to carry out key aspects of operational delivery, meaning some lower priority tasks are not executed.
Competencies & Training	The extent to which staff are appropriately qualified, trained or experienced to carry out their role	Lack of training; inappropriate training; ineffective training plans; poor recruitment; poor training material
Systems	The extent to which systems are fit-for-purpose and support the service to carry out its operations effectively.	System processes are not available or are not effective, resulting in discrepancies or workarounds to get the required outcome, system processes are circumvented or duplicated manually. Processes are carried out manually where systems processes would be more efficient.
Motivation & Incentives	The extent to which factors such as organisational or personnel change have impacted on staff desire to carry out their role efficiently and effectively.	Staff are feeling demotivated by a recent restructuring and removal of some posts, and do not feel that they should be taking on new responsibilities.
Standards & Policies	The extent to which expected standards have been made clear to staff and the necessary policies are in place to support these standards.	There is no policy/procedure in place; policies/procedures are out of date; policies/procedures have not been reviewed within appropriate timescales; policies etc. are difficult to locate/access; links in policies either do not work or are out of date.
Governance	The extent to which the service is governed by a clear structure that sets out the roles and responsibilities of officers, and the service is supported by appropriate risk management and control systems.	Lack of assigned responsibility and accountability; failure to act / ignorance; intentional misleading by management to protect themselves; underqualified / trained Board members.
Process & Procedures	The extent to which established processes are operating effectively and are supported by defined procedures.	Failure to follow set procedures (take care re materiality/proportionality); lack of separation of duties; controls being bypassed.
Accountability	The extent to which roles and responsibilities for decision-making have been defined and are accepted and acted on by all parties.	Unclear expectations; avoiding responsibility; lack of management oversight; poor communication.
Assurance & Monitoring	The extent to which internal and/or external checking controls exist to monitor the effectiveness of, and provide assurance to, the service.	Unclear responsibility; not identifying and/or taking action on recurring problems; checking the wrong things; under-sampling

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