



AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE

Thursday 19 November 2020 at 7.30 pm

Place: Remote Meeting

PLEASE NOTE: this will be a 'virtual meeting'.

The link to the meeting is: <https://attendee.gotowebinar.com/register/4806809059918188813>
Webinar ID: 959-450-627

Telephone (listen-only): 020 3713 5022, Telephone Access code:448-089-802

The members listed below are summoned to attend the Audit, Crime & Disorder 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 Steven McCormick (Vice-Chair)
Councillor Arthur Abdulin
Councillor Nigel Collin
Councillor Liz Frost

Councillor Rob Geleit
Councillor David Gulland
Councillor Colin Keane
Councillor Phil Neale
Councillor Alan Sursham

Yours sincerely

A handwritten signature in black ink, appearing to read "J.C. Beldan". The signature is fluid and cursive, with a long, sweeping underline.

Chief Executive

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

Public information

Please note that this meeting will be a 'virtual meeting'

This meeting will be held online and is open to the press and public to attend as an observer using free GoToWebinar software, or by telephone.

A link to the online address for this meeting is provided on the first page of this agenda and on the Council's website. A telephone connection number is also provided on the front page of this agenda as a way to observe the meeting, and will relay the full audio from the meeting as an alternative to online connection.

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 the 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 (Access to Information) Act 1985. Should any such matters arise during the course of discussion of the below items or should the Chairman agree to discuss any other such matters on the grounds of urgency, the Committee will wish to resolve to exclude the press and public by virtue of the private nature of the business to be transacted.

Questions from the Public

Questions from the public are permitted at meetings of the Committee. Any person wishing to ask a question at a meeting of the Committee must register to do so, as set out below.

Up to 30 minutes will be set aside for written or oral questions from any member of the public who lives, works, attends an educational establishment or owns or leases land in the Borough on matters within the Terms of Reference of the Audit, Crime & Disorder and Scrutiny Committee which may not include matters listed on a Committee Agenda.

All questions whether written or oral must consist of one question only, they cannot consist of multi parts or of a statement.

The question or topic may not relate to a specific planning application or decision under the Planning Acts, a specific application for a licence or permit of any kind, 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 Chairman are vexatious or frivolous will not be accepted.

To register to ask a question at a meeting of the Committee, please contact Democratic Services, email: democraticservices@epsom-ewell.gov.uk, telephone: 01372 732000.

Written questions must be received by Democratic Services by noon on the tenth working day before the day of the meeting. For this meeting this is **Noon, 5 November 2020**

Registration for oral questions is open until noon on the second working day before the day of the meeting. For this meeting this is **Noon, 17 November**

AGENDA

1. QUESTION TIME

To take any questions from members of the Public.

2. DECLARATIONS OF INTEREST

Members are asked to declare the existence and nature of any Disclosable Pecuniary Interests in respect of any item of business to be considered at the meeting.

3. MINUTES OF THE PREVIOUS MEETING (Pages 5 - 6)

The Committee is asked to confirm as a true record the Minutes of the Meeting of the Committee held on 6 February 2020 (attached) and Special Meeting of the Committee held on 17 September 2020 (to follow) and to authorise the Chair to sign them.

4. INTERNAL AUDIT PLAN 2020-21 (Pages 7 - 36)

This report introduces the Internal Audit Plan and Charter for 2020/21.

5. INTERNAL AUDIT PROGRESS REPORT (Pages 37 - 74)

This report summarises progress against the Internal Audit Plan and informs the Committee of the latest External Quality Assessment of Southern Internal Audit Partnership.

6. ANNUAL REPORT ON THE USE OF RIPa POWERS (Pages 75 - 78)

To report on the Council's activities relating to surveillance under the Regulation of Investigatory Powers Act 2000 for 2019.

7. RISK MANAGEMENT FRAMEWORK ANNUAL REPORT (To Follow)

Report to follow.

8. CORPORATE PLAN: 2019 TO 2020 YEAR END PERFORMANCE AND TARGET OVERVIEW 2020 TO 2021 (Pages 79 - 90)

This report provides the end of year status of the Key Priority Targets 2019/20 and presents the Key Priority Targets for 2020/21, the first year of the new corporate plan 2020 to 2024.

9. ANNUAL REPORT 2019/20 (Pages 91 - 100)

This report presents the Annual Report of the Audit, Crime & Disorder and Scrutiny Committee for 2019/20 and draft work programme 2020/21.

**Minutes of the Meeting of the AUDIT, CRIME & DISORDER AND SCRUTINY
COMMITTEE held on 6 February 2020**

PRESENT -

Councillor Steve Bridger (Chair); Councillor Alex Coley (Vice-Chair); Councillors Nigel Collin, Liz Frost, Rob Geleit, Julie Morris (as nominated substitute for Councillor David Gulland), Phil Neale (Items 22 - 24 only), Humphrey Reynolds, Clive Smitheram (as nominated substitute for Councillor Steven McCormick) and Alan Sursham

In Attendance: Councillor Bernie Muir, Iona Bond (Internal Auditor) (Southern Internal Audit Partnership (Internal Auditor))

Absent: Councillor David Gulland and Councillor Steven McCormick

Officers present: Gillian McTaggart (Head of Policy, Performance & Governance), Margaret Jones (Business Assurance Manager) and Tim Richardson (Committee Administrator)

19 QUESTION TIME

No questions were asked or had been submitted by members of the public.

20 DECLARATIONS OF INTEREST

No declarations of interest were made by Councillors in items on the agenda for this meeting.

21 MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting of the Committee held on 21 November 2019 were agreed as a true record and signed by the Chairman.

22 INTERNAL AUDIT PROGRESS REPORT

The Committee received a report summarising progress against the Audit Plan 2019/20.

Following consideration, it was resolved:

- (1) That the Committee received the latest internal audit progress report for 2019/20 attached at Annex 1.**

23 CORPORATE PLAN: PERFORMANCE REPORT TWO 2019 - 2020

The Committee received a report providing an update on progress made against the Key Priority Targets 2019/20.

Following consideration, it was resolved:

That the Committee:

- (1) Noted the status of all 56 Key Priority Targets.**
- (2) Had considered the update on those targets assigned red or amber status.**

24 WORK PROGRAMME 2019/20

The Committee received a report providing an update on its work programme 2019/20.

Following consideration, it was resolved:

- (1) That the Committee noted the current position of the work programme 2019/20 attached at Annex 1.**

The meeting began at 7.30 pm and ended at 7.57 pm

COUNCILLOR STEVE BRIDGER (CHAIR)

INTERNAL AUDIT PLAN 2020-21

Head of Service:	Gillian McTaggart, Head of Policy, Performance & Governance
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1: Internal Audit Plan 2020-21 Appendix 2: Internal Audit Charter 2020-21

Summary

This report introduces the Internal Audit Plan and Charter for 2020/21.

Recommendation (s)

The Committee is asked to:

- (1) endorse the Internal Audit Plan for 2020/21 as set out at Appendix 1;**
- (2) approve the Internal Audit Charter 2020/21 as set out at Appendix 2.**

1 Reason for Recommendation

- 1.1 This Committee has overall responsibility for audit and governance frameworks, including the functions of an audit committee.

2 Background

- 2.1 Internal Audit provides the Council through the Audit, Crime & Disorder and Scrutiny Committee with an independent and objective opinion on risk management, control and governance.
- 2.2 The internal audit plan establishes how internal audit resources across a given year are to be utilised in order to enable the Chief Internal Auditor to provide their statement of assurance.
- 2.3 Southern Internal Audit Partnership (SIAP) became the Council's internal auditors on 1 April 2019 for a four year period. Its first Internal Audit Plan 2019/20 – 2021/22 was endorsed by this Committee on 16 April 2019.

- 2.4 In preparation for the plan for year two, SIAP referred to a number of different sources of information such as the new Four Year Plan 2020-2024 and the Leadership Risk Register. SIAP discussed priorities with the Leadership Team, Chief Finance Officer (s.151 officer) and Heads of Service. Following these discussions SIAP developed an Internal Audit Strategy for 2020/21 – 2022/23, implementing a standardised rolling three year approach, for consideration by this Committee at its April 2020 meeting. The meeting was however cancelled due to the COVID-19 emergency and lockdown and the initial plan was not approved.
- 2.5 Due to new risks and challenges for the Council arising from its response to the COVID-19 pandemic, SIAP re-engaged with the Leadership Team to re-prioritise the initial draft plan. SIAP identified a number of new emerging risks relating to COVID-19. The revised draft plan was approved by the Leadership Team in July 2020.

Internal Audit Plan 2020/21 – 2022/23

- 2.6 The revised draft Internal Audit Plan 2020/21 – 2022/23 is attached at Appendix 1. This plan sets out the timing of internal audits across the three year period and identifies the timing of those audits to be completed during 2020-21. Adjustments made to the original audit plan in light of COVID-19 are set out at the back of the document.
- 2.7 Most of the 19/20 audit plan was completed, although there were no IT audits undertaken. The Data Management Audit had been deferred and the proposed IT Assurance Mapping audit to provide the auditors with details of all areas of IT audit assurance could not be undertaken due to the COVID-19 emergency response and lockdown. Three IT audits are planned for 2020/21.

Internal Audit Charter

- 2.8 The Public Sector Internal Audit Standards require all internal audit activities to implement and retain a Charter. The Internal Audit Charter for 2020/21 is attached at Appendix 2. This Charter sets out the purpose, authority and responsibilities for the internal audit services at the Council. Approval of the Charter is a responsibility of this Committee.

3 Risk Assessment

Legal or other duties

- 3.1 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 The Chief Internal Auditor will issue an Annual Internal Audit Report & Opinion for 2020-21 on completion of the year. This report is a critical document that will be used in preparing the Annual Governance Statement 2020-21 included in the Statement of Accounts.

3.5 Other

3.5.1 None for the purposes of this report.

4 Financial Implications

4.1 The audit days within the plan are 199 which can be funded from the agreed budget.

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

5 Legal Implications

5.1 No implications for the purpose of this report.

5.2 **Monitoring 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:

6.1.1 Effective Council – Engaging, responsive and resilient Council

6.1.2 Green & Vibrant – A better place to live where people enjoy their surroundings

6.1.3 Safe & Well – A place where people feel safe, secure and lead healthy, fulfilling lives

6.1.4 Opportunity & Prosperity – A successful place with a strong, dynamic local economy where people can thrive

6.1.5 Smart & Connected – Alive and connected socially, economically, geographically and digitally

6.1.6 Cultural & Creative – A centre for cultural and creative excellence and inspiration

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

6.3 **Climate & Environmental Impact of recommendations:** no relevance for the purposes of this report.

6.4 **Sustainability Policy & Community Safety Implications:** no relevance for the purposes of this report.

6.5 **Partnerships:** not applicable.

7 Background papers

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

Previous reports:

- Internal Audit Plan 2019/20, Audit, Crime & Disorder and Scrutiny Committee 16 April 2019

Other papers:

- None

Internal Audit Plan

2020/21 - 2022/23

Epsom & Ewell Borough Council



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Southern Internal Audit Partnership

Assurance through excellence
and innovation

Agenda Item 4
Appendix 1

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Introduction

The role of internal audit is that of an:

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

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

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

The aim of internal audit’s work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:

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

The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the Senior Management Team and Audit Sponsors, to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through the Southern Internal Audit Partnership’s continued contact and liaison with those responsible for the governance of the Council.

Your Internal Audit Team

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

Conformance with internal auditing standards

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

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

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considering all sources of evidence the external assessment team concluded:

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

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

Conflicts of Interest

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

Four Year Plan 2020 - 2024

Epsom & Ewell Borough Council have developed a long-term vision for the borough, Future40. Through extensive engagement and consultation, the Council have brought together the views and aspirations of people that live and work in Epsom and Ewell. Five themes have been identified reflecting people's views and priorities for the borough until 2040. These five themes form the core of the four-year plan.



Council Risks

The Council have a clear framework and approach to risk management. The strategic risks assessed by the Council are a key focus of our planning for the year to ensure it meets the organisation's assurance needs and contributes to the achievement of their objectives. We will monitor the strategic risk register closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape.

Ref	Risk Description
L1	Financial impact of Covid and the Recovery will result in dramatic loss of income. Including loss of income from commercial tenants
L2	Council Resilience and disruption to services
L3	Delivering and implementing the Local Plan and the 5-year land supply
L4	Organisational Capacity and failure to deliver the four year plan and Vision
L5	Failure to provide adequate health and safety and Covid secure
L6	Failure to deliver stability, substantial and complex changes, and systems with supporting additional home working
L7	Impact of proposed devolution by Surrey County Council
L8	Impact of a local lockdown of second wave
L9	EU Transition or other emergency such as winter pressures
L10	Impact on economic growth within the Borough

*Leadership Risks as per the Leadership Risk Register – as per latest draft September 2020

Developing the internal audit plan 2020/21 – 2022/23

We have used various sources of information and discussed priorities for internal audit with the following groups:

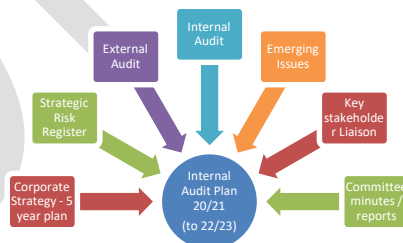
- Leadership Team
- Chief Finance Officer (S151)
- Heads of Service
- Audit, Crime & Disorder and Scrutiny Committee
- Other key stakeholders

Based on conversations with key stakeholders, review of key corporate documents and our understanding of the organisation, the Southern Internal Audit Partnership developed an annual audit strategy for 2020-21 / 2022-23 in March (pre COVID-19) for approval by the Audit, Crime & Disorder and Scrutiny Committee at its meeting on 9 April 2020, however, due to the unprecedented consequences of the COVID-19 pandemic this meeting was cancelled.

The scale of COVID-19 coupled with the speed of its impact and the wide-ranging challenges presented has necessitated new and different ways of working across the Council. Such challenges and subsequent resolutions bring with them new and emerging risks that management need to consider, manage, and mitigate. In response, the Southern Internal Audit Partnership has engaged with the Council's Leadership Team to reprioritise the originally drafted audit plan to provide assurance in respect of emerging key risk areas and these are detailed within the section 'Adjustments to the 2020-21 Audit Plan' (page 16).

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers to ensure that duplication is minimised, and a suitable breadth of assurance is obtained.



Internal Audit Plan

Audit	Risk / Scope	Strategic / Service Risk	Previous IA Coverage	2020-21	2021-22	2022-23
Corporate						
Programme & Project Management	Assurance over project management framework and compliance in relation to delivery of live / ongoing projects. Include the new cemetery project.	L3, L4	2018-19 2015-16	Q2		
Alternative Delivery Models	Unique methods of service delivery with the potential for loss of control / ownership over service delivery. Assurance over governance, rights of access, third party assurance. Contingencies, exit strategies, hosting arrangements, accountability.	L6				✓
Financial Resilience	Impact of COVID, reassessment of financial risks and impact of assumptions in the MTFS	L1, L4, L8, L9, L10		Q4		
Working in Partnership	Working alongside different cultures. Potential for some loss of control / ownership of service delivery. Assurance over governance, rights of access, third party assurance, contingency arrangements, exit strategy, hosting arrangements (accountabilities), benefit realisation.				✓	
Asset Management (Property Assets)	Assurance over effectiveness and delivery of the Asset Management Plan including repairs and maintenance to non-housing assets (planned & reactive). Rent reviews, uplifts, income monitoring.	L1	2019-20 2018-19 2017-18 2015-16			✓
Governance						
Contract Management	Review of contract management arrangements and compliance across a selection of contracts in place.		2019-20 2018-19 2017-18		✓	

Audit	Risk / Scope	Strategic / Service Risk	Previous IA Coverage	2020-21	2021-22	2022-23
Human Resources & Organisational Development	Weak or ineffective internal control leading to financial loss resulting in damage to the Council's reputation and adverse publicity. Assurances over the audit cycle: <ul style="list-style-type: none"> • Performance Management • Absence management • Recruitment • Training & Development • Workforce Strategy / Development • Flexible Working • HR policies and procedures • Agency staff, volunteers. 	L2, L4, L6	2019-20 2018-19 2015-16		✓	
COVID-19: Business Support Grants	Assurance over the processes and due diligence to support the award of small business support grants in response to COVID 19 pandemic			Q2		
Local Government Compensation Scheme (LGCS)	To review the methodology applied and sample check the accuracy of the three submissions to Central Government for the LGCS.			Q3		
Commissioning & Procurement	Assurance over the effective identification and assessment of organisational needs to maximise value for money and efficiencies through procurement. Assurance over compliance with contract procedure rules and legislative requirements.		2019-20 2016-17			✓
Risk Management	Assurance over the risk management framework including governance, transparency and maturity.		2018-19 2016-17			✓
Fraud & Irregularities	Cyclical assurance over the governance arrangements to prevent, detect and investigate fraud and irregularities. (19/20 consultancy review.)		2019-20 2015-16			

Audit	Risk / Scope	Strategic / Service Risk	Previous IA Coverage	2020-21	2021-22	2022-23
Health & Safety	Assurance over responsibilities to staff whilst home working, effective allocation of PPE, social distancing in the workplace, preparedness for staff returning to the workplace, HSE assessments.	L5	2018-19	Q2		
Other COVID Funding / Market Underwriting	Process, due diligence and impact of payments to providers despite reduced or ceased services. Assurance over processes in place for the dissemination of other sources of COVID 19 funding	L1		Q4		
COVID-19: Emergency Response & Recovery	Lessons learnt from the Council's response to the COVID pandemic and assurance over the governance and recovery actions in place to return to business as usual.	L1, L2, L4, L8		Q2		
Business Continuity & Emergency Planning	Assurance over planning for extreme events that may lead to delays in responding to situations resulting in increased costs and staff resources including: <ul style="list-style-type: none"> • Business Continuity Plan • Emergency Plan. 	L2, L8	2017-18			✓
Information Governance	Assurance over information governance arrangements to include FOI, SAR, Transparency and General Data Protection Regulation (GDPR).		2019-20 2017-18 2015-16			✓
Decision Making & Accountability	Assurance over the effectiveness and transparency of the decision-making process at officer and Member level. To consider governance, sufficiency, accuracy and timeliness of information including consultation with the public as necessary.			Q3		
Ethical Governance	Evaluation of the design, implementation and effectiveness of EEBC's ethics-related objectives, programmes and activities.				✓	

Audit	Risk / Scope	Strategic / Service Risk	Previous IA Coverage	2020-21	2021-22	2022-23
Capital Programme	Assurance over the delivery of the Capital Programme.		2019-20 2015-16			✓
Annual Governance Statement	Cyclical assurance over the governance arrangements to compile, contribute and deliver the AGS.				✓	
Core Financial Reviews						
Housing Benefits	Programme of cyclical systems reviews	L1	2017-18	Q3		
Council Tax		L1	2017-18		✓	
NNDR		L1	2017-18		✓	
Accounts Payable			2016-17	Q3		
Accounts Receivable / Debt Management		L1	2019-20			✓
Main Accounting			2019-20 2016-17			✓
Treasury Management			2018-19		✓	
Income Collection		L1	2018-19		✓	
Payroll	Outsourced to Midland HR. Review of contract management arrangements. Assurance that EEBC are receiving all outcomes expected from the contract and to review EEBC in-house operations.		2018-19 2017-18 2016-17	Q3		
IT						
IT Governance	Review of IT strategy, policies, standards and procedures. Other potential areas for consideration to include IT asset management, change management and software licensing.					✓
Data Management	Review of data centre facilities and security including storage and back-up. To also consider database management. To be combined with ITBCP.			Q4		

Audit	Risk / Scope	Strategic / Service Risk	Previous IA Coverage	2020-21	2021-22	2022-23
Cyber Security	Review of cyber security arrangements (including Phishing, Smishing etc.), security controls (including remote access) against the Cyber Essentials Scheme. Focus on vulnerabilities of home working and interim arrangements enforced through response to COVID 19.			Q2		
Information Security	Review of cyber security arrangements, security controls (including remote access) and cloud storage. To also consider network security and infrastructure management.		2017-18		✓	
System Development & Implementation	Systems Life Cycle, Project Management and Application Management.				✓	
IT Business Continuity	Disaster recovery, system resilience. To be combined with Data Management	L2		Q4		
Networking & Communications	Virtualisation, operating system management					✓
Payment Card Industry Data Security Standard	Compliance to meet industry standards		2016-17 2015-16			✓
Green and Vibrant						
Operational Services	To review arrangements for refuse collection, recycling & street cleansing.				✓	
Environmental Health	To review regulatory activities including animal control, food safety, pollution control, contaminated land, enforcement. To include Private Sector Housing.				✓	
Parking & Enforcement	Maintenance of car parks, permits and enforcement.		2016-17	Q4		
Climate Change	Review of Climate Change Strategy and progress against the accompanying action plan.			Q4		

Audit	Risk / Scope	Strategic / Service Risk	Previous IA Coverage	2020-21	2021-22	2022-23
Air Quality Monitoring	Responsibility to review and assess current and future air quality within the borough in compliance with the National Air Quality Strategy.		2019-20			✓
Opportunity and Prosperity						
Economic Development	Review delivery including processes and outcomes against the Economic Development Strategy.					✓
Housing	Effective Housing Policy and procedures to achieve desired outcomes.				✓	
Affordable Housing	Opportunities for development and alternative methods of delivery to meet organisational and national priorities.				✓	
Local Plan	Review of the plan and provide assurance around the progress/delivery.	L3	2019-20 2017-18			✓
Income Generation & Enterprise Plan	The plan is premised on four workstreams with the aim of delivering value to customers while generating a financial return which contributes to Council efficiencies. Unsuccessful / untimely delivery will significantly impact the Council's ability to meet projected budget gaps and protect core front line services.	L1, L10	2019-20			✓
Safe and Well						
Homelessness	Assurance over management and prevention of homelessness. Properties acquired to alleviate B&B costs and Private Sector Lease scheme in place. 20/21 review to focus on the Homelessness Prevention – Action Plan.		2019-20 2018-19 2017-18	Q3		
Disabled Facilities Grants	Administration and compliance with local / legislative requirements.			Q2		
Cemeteries	Provision of grave spaces, internment and memorials. Fee generating service (circa £400k). Recently acquired additional land to increase capacity and expand.				✓	

Audit	Risk / Scope	Strategic / Service Risk	Previous IA Coverage	2020-21	2021-22	2022-23
Development Management	Planning (street naming, CIL); Development Control (planning applications, appeals); Planning enforcement. LGA review (2016/17) and improvement plan agreed to reduce the possibility of 'designation'.		2018-19 2017-18 2016-17	Q1		
Building Control	In-house team with inherent risks of capacity, resilience and competition from the market. To consider governance, deliverables, billing and outcomes.		2019-20			✓
Community Safety	Response to community safety and anti-social behaviour. To include PREVENT, Community Safety Partnership, and community funding and grants.		2018-19	Q4		
Community Health & Wellbeing	Assurances over services designed to help residents retain their independence and reduce social isolation including: the Wellbeing Centre, support services, ETHOS etc. Inherent risks include funding, demand, safeguarding. To further consider development and delivery of the Health & Wellbeing Strategy.		2019-20		✓	
Licensing	To include Taxi's, gambling, alcohol, entertainment etc. issue and enforcement				✓	
Culture and Creative						
Cultural venues and facilities	Playhouse theatre, museum, Bourne Hall, Ewell Court House. Restructure and revised operating model at Bourne Hall and Ewell Court House effective 1 April 2019.					✓
Effective Council						
Investments	Assurance over the governance, accountabilities, viability and outcomes of Property Investment Company (EPIPIC).	L1	2018-19 2017-18			
Service Delivery Plans	Effective production, prioritisation, delivery and governance of Service Delivery Plans to achieve desired outcomes in achieving the key priorities of the Council.	L2, L4			✓	

Audit	Risk / Scope	Strategic / Service Risk	Previous IA Coverage	2020-21	2021-22	2022-23
Fees and Charges	Effective and timely calculation of fees and charges to meet the aspirations within the MTFS (to include rents and leases)	L1	2016-17		✓	
Smart and Connected						
Digital / Transformation	To enable improved and more effective services focusing on 'channel shift' as opposed to AI / robotics.	L6			✓	
Mobile Working	Initiatives to promote agile working.	L6				✓
Grants/Non-assurance work						
EWDC Conservators Account	An annual review and completion of the annual governance and accountability return.			Q1	✓	✓
Other						
Management	To include annual planning, reporting and attendance at SLT and Audit Committee, action tracking, liaison with key stakeholders and annual report and opinion.			-	-	-
Total Days				199	199	199

Adjustments to the 2020-21 Audit Plan

Plan Variations for 2020/21	
Removed from the plan	Reason
Financial Sustainability	Replaced with Financial Resilience review for 2020/21.
Income Collection	Removed on the basis that Parking & Enforcement is already within the plan which is a key source of income.
Information Security	Replaced with the Cyber Security review for 2020/21 due to COVID risks.
Operational Services	Removed from the plan due to significant pressures on the service. Replaced with the Local Government Compensation Scheme review.
Investments	Replaced with Financial Resilience review for 2020/21.
Service Delivery Plans	Removed from the plan to allow for new audit areas due to COVID risks.
Fees and Charges	Removed from the plan to allow for new audit areas due to COVID risks.
Added to the plan	Reason
Business Support Grant	Prioritised due to implications of COVID-19.
Other COVID Funding / Market Underwriting	Prioritised due to implications of COVID-19.
COVID – Emergency Response & Recovery	Prioritised due to implications of COVID-19.
Cyber Security	Prioritised due to implications of COVID-19.
Financial Resilience	Prioritised due to implications of COVID-19.
Local Government Compensation Scheme (LGCS)	Included within the plan at the request of the Chief Finance Officer to review the methodology applied and sample check the accuracy of the three submissions to Central Government for the LGCS.

Internal Audit Charter – 2020/21

Introduction

The Public Sector Internal Audit Standards (the Standards) provide a consolidated approach to audit standards across the whole of the public sector providing continuity, sound corporate governance and transparency.

The Standards form part of the wider mandatory elements of the International Professional Practices Framework (IPPF) which also includes:

- the mission;
- core principles;
- definition of internal audit; and
- Code of Ethics.

The Standards require all internal audit activities to implement and retain an 'Internal Audit Charter'.



The purpose of the Internal Audit Charter is to formally define the internal audit activity's purpose, authority and responsibility.

Mission and Core Principles

The IPPF 'Mission' aims *'to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.'*

The 'Core Principles' underpin delivery of the IPPF mission:

- Demonstrates integrity;
- Demonstrates competence and due professional care;
- Is objective and free from undue influence (independent);
- Aligns with the strategies, objectives and risks of the organisation;
- Is appropriately positioned and adequately resourced;
- Demonstrates quality and continuous improvement;
- Communicates effectively;
- Provides risk-based assurance;
- Is insightful, proactive, and future-focused; and
- Promotes organisational improvement.

Authority

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

‘undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control’.

The standards for ‘proper practices’ in relation to internal audit are laid down in the Public Sector Internal Audit Standards (updated 2017).

Purpose

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

This is achieved through internal audit providing a combination of assurance and consulting activities. Assurance work involves assessing how well the systems and processes are designed and working, with consulting activities available to help to improve those systems and processes where necessary.

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

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

Responsibility

The responsibility for maintaining an adequate and effective system of internal audit within Epsom & Ewell Borough Council lies with the Chief Finance Officer (S151 Officer).

For the Council, internal audit is provided by the Southern Internal Audit Partnership.

The Chief Internal Auditor (Head of Southern Internal Audit Partnership) is responsible for effectively managing the internal audit activity in accordance with the ‘Mission’, ‘Core Principles’, ‘Definition of Internal Auditing’, the ‘Code of Ethics’ and ‘the Standards’.

Definitions

For the purposes of this charter the following definitions shall apply:

The Board – the governance group charged with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting. At the Council this shall mean the Audit, Crime & Disorder and Scrutiny Committee.

Senior Management – those responsible for the leadership and direction of the Council. At the Council this shall mean the Leadership Team.

Position in the organisation

The Chief Internal Auditor reports functionally to the Board, and organisationally to the Chief Finance Officer who has statutory responsibility as proper officer under Section 151 of the Local Government Act 1972, for ensuring an effective system of internal financial control and proper financial administration of the Council's affairs.

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

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

Where it is considered necessary to the proper discharge of the internal audit function, the Chief Internal Auditor has direct access to elected Members of the Council and in particular those who serve on committees charged with governance (i.e. the Audit, Crime & Disorder and Scrutiny Committee).

Internal audit resources

The Chief Internal Auditor will be professionally qualified (CMIIA, CCAB or equivalent) and have wide internal audit and management experience, reflecting the responsibilities that arise from the need to liaise internally and externally with Members, senior management and other professionals.

The Chief Finance Officer will provide the Chief Internal Auditor with the resources necessary to fulfil the Council's requirements and expectations as to the robustness and scope of the internal audit opinion.

The Chief Internal Auditor will ensure that the internal audit service has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the audit strategy and operational audit plan.

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

'Senior Management' and *'the Board'* will be advised where, for whatever reason, internal audit is unable to provide assurance on any significant risks within the timescale envisaged by the risk assessment process.

The annual operational plan will be submitted to *'senior management'* and *'the Board'*, for approval. The Chief Internal Auditor will be responsible for delivery of the plan. The plan will be kept under review to ensure it remains responsive to the changing priorities and risks of the Council.

Significant matters that jeopardise the delivery of the plan or require changes to the plan will be identified, addressed and reported to *'senior management'* and *'the Board'*.

If the Chief Internal Auditor, *'the Board'* or *'Senior Management'* consider that the scope or coverage of internal audit is limited in any way, or the ability of internal audit to deliver a service consistent with the Standards is prejudiced, they will advise the Chief Executive accordingly.

Independence and objectivity

Internal auditors must be sufficiently independent of the activities they audit to enable them to provide impartial, unbiased and effective professional judgements and advice.

Internal auditors must maintain an unbiased attitude that allows them to perform their engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgement on audit matters to others.

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

- retains no executive or operational responsibilities;
- operates in a framework that allows unrestricted access to *'senior management'* and *'the Board'*;
- reports functionally to *'the Board'*;
- reports in their own name;
- rotates responsibilities for audit assignments within the internal audit team; and
- completes individual declarations confirming compliance with rules on independence, conflicts of interest and acceptance of inducements.

If independence or objectivity is impaired in fact or appearance, the details of the impairment will be disclosed to '*Senior Management*' and '*the Board*'. The nature of the disclosure will depend upon the impairment.

Due professional care

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

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

Internal auditors will apprise themselves of the '*Mission*', '*Core Principles*', '*Definition of Internal Auditing*', the '*Code of Ethics*' and the '*Standards*' and will work in accordance with them in the conduct of their duties.

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

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

Access to relevant personnel and records

In carrying out their duties, internal audit (on production of identification) shall have unrestricted right of access to all records, assets, personnel and premises, belonging to the Council or its key delivery partner organisations.

Internal audit has authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities. Such access shall be granted on demand and not subject to prior notice.

Scope of Internal Audit activities

The Chief Internal Auditor is responsible for the delivery of an annual audit opinion and report that can be used by the Council to inform its governance statement. The annual opinion will conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The Council assume a Key Stakeholder role within the Southern Internal Audit Partnership (SIAP). The SIAP currently provides internal audit services to a wide portfolio of public sector clients (Annex 1) through a variety of partnership and sold service delivery models.

A range of internal audit services are provided (Annex 2) to form the annual opinion for each member / client of the SIAP. The approach is determined by the Chief Internal Auditor and will depend on the level of assurance required, the significance of the objectives under review to the organisation's success, the risks inherent in the achievement of objectives and the level of confidence required that controls are well designed and operating as intended.

In accordance with the annual 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.

Managing the risk of fraud is the responsibility of line management and strategic responsibility for reactive and proactive fraud work sits with the S151 Officer and the Head of Policy, Performance & Governance who would ensure any suspected or detected fraud or corruption was investigated.

The Council participates in the National Fraud Initiative (NFI) in which data from the Council's main systems are matched with data supplied from other local authorities and external agencies to detect potential fraudulent activity.

The S151 Officer or the Head of Policy, Performance & Governance will notify SIAP of any suspected or detected fraud to inform their opinion. They will instruct either SIAP or an external provider to undertake any investigations or reviews as required. SIAP will review the governance arrangements to prevent, detect and investigate fraud and irregularities on a cyclical basis.

Reporting

Chief Internal Auditor's Annual Report and Opinion

The Chief Internal Auditor shall deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit report and opinion will conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report will incorporate as a minimum:

- The opinion;
- A summary of the work that supports the opinion; and
- A statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

Senior Management

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

- approving the internal audit charter (minimum annually);
- approving the risk based internal audit plan;
- receiving communications from the Chief Internal Auditor on the internal audit activity's performance relative to its plan and other matters;
- making appropriate enquiries of management and the Chief Internal Auditor to determine whether there are inappropriate scope and resource limitations; and
- receiving the results of internal and external assessments of the quality assurance and improvement programme, including areas of non-conformance.

The Board

Organisational independence is effectively achieved when the Chief Internal Auditor reports functionally to the Board. Such reporting will include:

- approving the internal audit charter;
- approving the risk based internal audit plan;
- approving the internal audit resource plan;
- receiving communications from the Chief Internal Auditor on the internal audit activity's performance relative to its plan and other matters, including the annual report and opinion;
- making appropriate enquiries of management and the Chief Internal Auditor to determine whether there are inappropriate scope or resource limitations;
- agreement of the scope and form of the external assessment as part of the quality management and improvement plan;
- receiving the results of internal and external assessments of the quality assurance and improvement programme, including areas of non-conformance; and
- approval of significant consulting services not already included in the audit plan, prior to acceptance of the engagement.

Review of the internal audit charter

This charter will be reviewed annually (minimum) by the Chief Internal Auditor and presented to '*Senior Management*' and '*the Board*' for approval.

Annex 1

Southern Internal Audit Partnership – Client Portfolio

Strategic Partners: Hampshire County Council

Key Stakeholder Partners: West Sussex County Council
Havant Borough Council
East Hampshire District Council
Winchester City Council
New Forest District Council
Mole Valley District Council
Epsom & Ewell Borough Council
Reigate & Banstead Borough Council
Tandridge District Council
Hampshire Fire & Rescue Authority
Office of the Hampshire Police & Crime Commissioner / Hampshire Constabulary
Office of the Sussex Police & Crime Commissioner / Sussex Police Force
Office of the Surrey Police & Crime Commissioner / Surrey Police Force

External clients: Waverley Borough Council
Hampshire Pension Fund
West Sussex Pension Fund
New Forest National Park Authority

Further Education Institutions

Eastleigh;
Highbury;
Isle of Wight College; and
Portsmouth

Annex 2

Assurance Services

- **Risk based audit:** in which risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of managements' objectives. Any audit work intended to provide an audit opinion will be undertaken using this approach.
- **Developing systems audit:** in which:
 - the plans and designs of systems under development are assessed to identify the potential weaknesses in internal control and risk management; and
 - programme / project management controls are assessed to ascertain whether the system is likely to be delivered efficiently, effectively and economically.
- **Compliance audit:** in which a limited review, covering only the operation of controls in place to fulfil statutory, good practice or policy compliance obligations are assessed.
- **Quality assurance review:** in which the approach and competency of other reviewers / assurance providers are assessed in order to form an opinion on the reliance that can be placed on the findings and conclusions arising from their work.
- **Fraud and irregularity investigations:** Internal audit may also provide specialist skills and knowledge to assist in or lead fraud or irregularity investigations, or to ascertain the effectiveness of fraud prevention controls and detection processes. Internal audit's role in this respect is outlined in the Council's Anti Fraud and Anti Corruption Strategy.
- **Advisory / Consultancy services:** in which advice can be provided, either through formal review and reporting or more informally through discussion or briefing, on the framework of internal control, risk management and governance. It should be noted that it would not be appropriate for an auditor to become involved in establishing or implementing controls or to assume any operational responsibilities and that any advisory work undertaken must not prejudice the scope, objectivity and quality of future audit work.

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INTERNAL AUDIT PROGRESS REPORT

Head of Service:	Gillian McTaggart, Head of Policy, Performance & Governance
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1: Internal Audit Progress Report - October 2020 Appendix 2: External Quality Assessment

Summary

This report summarises progress against the Internal Audit Plan and informs the Committee of the latest External Quality Assessment of Southern Internal Audit Partnership.

Recommendation (s)

The Committee is asked to:

- (1) receive the internal audit progress report from Southern Internal Audit Partnership attached at Appendix 1;
- (2) note the findings of the External Quality Assessment of Southern Internal Audit Partnership attached at Appendix 2.

1 Reason for Recommendation

- 1.1 This Committee has overall responsibility for audit and governance frameworks, including the functions of an audit committee.
- 1.2 The Committee receives regular internal audit progress reports which update the Committee on progress made against the audit plan and the outcomes of individual audits.

2 Background

- 2.1 Southern Internal Audit Partnership (SIAP) was appointed as the Council's internal auditors from 1 April 2019 for a period of four years. SIAP has completed one full year (2019-20) and has commenced year two (2020-21).
- 2.2 Due to the on-going impact of COVID-19 the reporting of progress against the internal audit plan to this Committee has been impacted. A summary of the latest position for 2019-20 and 2020-21 has been set out below and has been included by SIAP in its latest Progress Report attached at Appendix 1.

Internal Audit Plan - 2019-20

- 2.3 SIAP's internal audit plan for 2019-2020 was endorsed by this Committee on 16 April 2019. The Committee received updates on progress made against the plan on 21 November 2019 and 6 February 2020. Due to the COVID-19 emergency and lockdown, which was declared towards the end of March 2020, the Committee received no further updates on progress made.
- 2.4 The Annual Internal Audit Report & Opinion 2019-20 received by this Committee on 17 September 2020 reflected all 2019-20 audits undertaken. In this report the Head of Internal Audit concluded that he was:

"Satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of Epsom & Ewell Borough Council's internal control environment. In my opinion Epsom & Ewell Borough Council's framework of governance, risk management and control is Adequate 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."

- 2.5 An overview of the final position of the 2019-20 internal audits is included in the table below. This table includes those audits completed post February 2020 which comprise:

- 2.5.1 Human Resources & Organisational development (Recruitment of Permanent and Agency Staff)

- 2.5.2 Information Governance

- 2.5.3 Main Accounting

- 2.5.4 Local Plan

- 2.5.5 Community and Wellbeing Centre

2.5.6 Income Generation & Enterprise Plan (Position Statement)

- 2.6 Fifteen audits were completed, six received an adequate opinion and six received a limited opinion. The last two audits did not culminate in an audit opinion involving instead, one position statement and Conservators Accounts sign off.

Assignment	Reported	Opinion	H	M	L
Asset Management (Property Assets)	6 February 2020	Adequate	5		2
Contract Management	21 November 2019	Limited	1	2	2
Human Resources & Organisational Development Recruitment of permanent and agency staff	19 November 2020	Adequate	0	2	1
Procurement	6 February 2020	Limited	3	2	1
Fraud & Irregularities	21 November 2019	Adequate	0	2	2
Information Governance	19 November 2020	Adequate	0	9	0
Accounts Receivable / Debt Management	21 November 2019	Limited	9	3	0
Main Accounting	19 November 2020	Adequate	0	1	1
Capital Accounting	6 February 2020	Substantial	0	0	0
Payment Card Industry Data Security Standard	Replaced with IT Assurance Mapping				
Data Management	Deferred to 2020/21				
IT Assurance Mapping	Not undertaken				
Air Quality Monitoring	21 November 2019	Limited	1	2	4
Local Plan	19 November 2020	Adequate	5	0	0

Assignment	Reported	Opinion	H	M	L
Community & Wellbeing Centre	19 November 2020	Limited	0	7	0
Building Control	6 February 2020	Limited	1	1	4
Income Generation & Enterprise Plan	19 November 2020	Position Statement			
EWDC Conservators Account	Complete				

Internal Audit Plan - 2020-21

- 2.7 The Internal Audit Plan for 2020 – 2021 was due to be considered by this Committee in April 2020, but due to the COVID-19 emergency and lockdown, presentation of the Plan has been delayed. The Internal Audit Plan 2020-21 is included elsewhere on this Agenda.
- 2.8 Audit work against this revised plan has commenced and is progressing although no audits have been finalised as yet. Although commencement of this plan was delayed, the auditors have confirmed that they expect to complete the audit plan by year end. Further details are set out in the latest Internal Audit Progress Report from SIAP attached at Appendix 1.

3 External Quality Assessment of SIAP

- 3.1 During September, the Institute of Internal Auditors (IIA) undertook an External Quality Assessment of the SIAP which considered their conformance with the International Professional Practices Framework (IPPF), Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note (LGAN).
- 3.2 This was a significant undertaking for SIAP and involved interviews and surveys with a wide range of stakeholders, including Audit Committee Chairs, Chief Executives and S151 Officers from across its Partners and clients, in addition to review of SIAP's policies, procedures and practices. The final report from the IIA is attached at Appendix 2, it concludes that SIAP conforms with all aspects of the IPPF, PSIAS and LGAN.

4 Risk Assessment

Legal or other duties

4.1 Impact Assessment

4.1.1 None for the purposes of this report.

4.2 Crime & Disorder

4.2.1 None for the purposes of this report.

4.3 Safeguarding

4.3.1 None for the purposes of this report.

4.4 Dependencies

4.4.1 The Chief Internal Auditor will issue an Annual Internal Audit Report & Opinion for 2020-21 on completion of the year. This report is a critical document that will be used in preparing the Annual Governance Statement 2020-21 included in the Statement of Accounts.

4.5 Other

4.5.1 None for the purposes of this report.

5 Financial Implications

5.1 There are no financial implications within 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 **Monitoring 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:

7.1.1 Effective Council – Engaging, responsive and resilient Council.

7.1.2 Green & Vibrant – A better place to live where people enjoy their surroundings

7.1.3 Safe & Well – A place where people feel safe, secure and lead healthy, fulfilling lives

7.1.4 Opportunity & Prosperity – A successful place with a strong, dynamic local economy where people can thrive

7.1.5 Smart & Connected – Alive and connected socially, economically, geographically and digitally

7.1.6 Cultural & Creative – A centre for cultural and creative excellence and inspiration

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

7.3 **Climate & Environmental Impact of recommendations:** no relevance for the purposes of this report.

7.4 **Sustainability Policy & Community Safety Implications:** no relevance for the purposes of this report.

7.5 **Partnerships:** not applicable.

8 Background papers

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

Previous reports:

- Internal Audit Plan 2019/20, Audit, Crime & Disorder and Scrutiny Committee 16 April 2019
- Internal Audit Progress Report, Audit Crime & Disorder and Scrutiny Committee 21 November 2019
- Internal Audit Progress Report, Audit Crime & Disorder and Scrutiny Committee 6 February 2020
- Annual Governance Statement 2019/20, Audit Crime & Disorder and Scrutiny Committee 17 September 2020

Other papers:

- None

Internal Audit Progress Report

October 2020

Epsom & Ewell Borough Council



Southern Internal Audit Partnership

Assurance through excellence
and innovation

Contents:

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1. Role of Internal Audit

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

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

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

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

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

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

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

2. Purpose of report

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

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

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

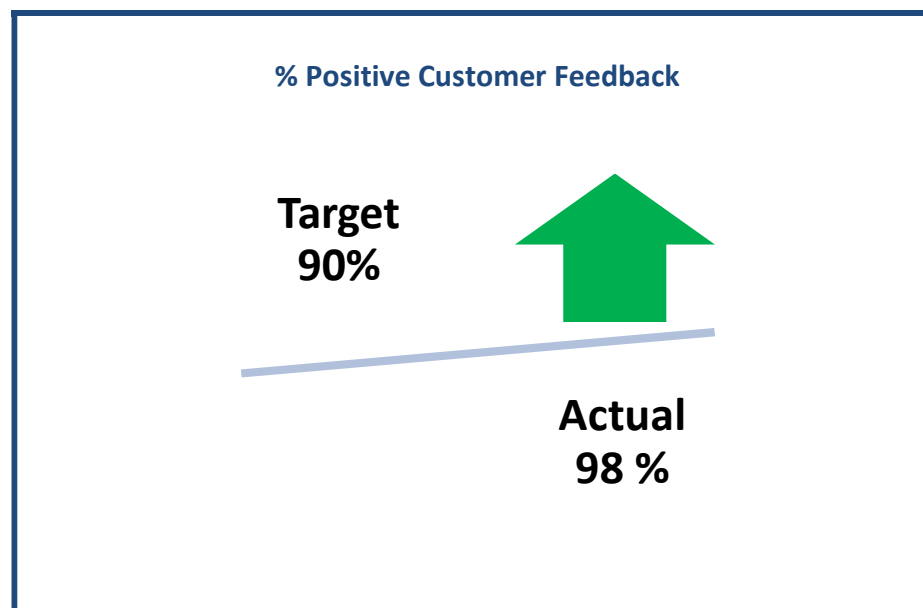
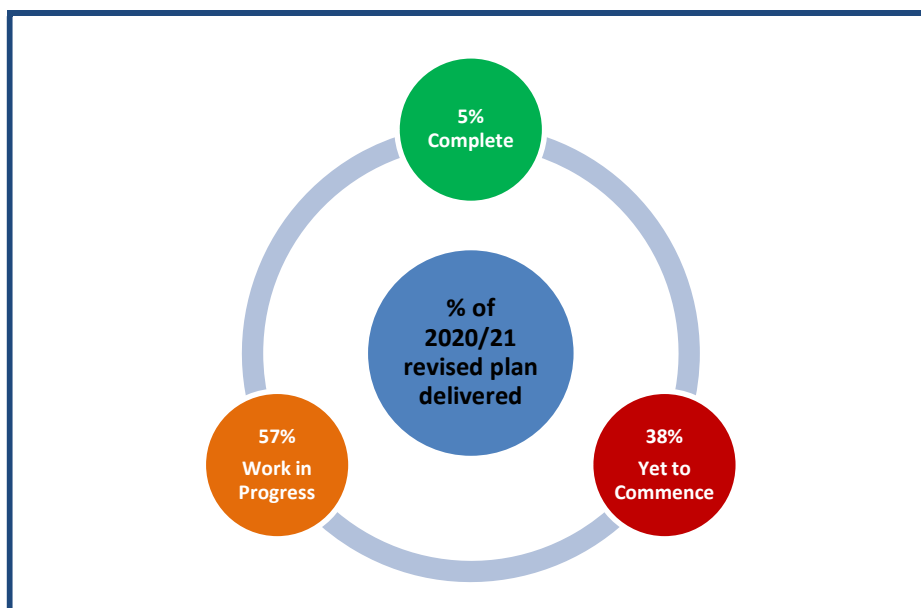
CIPFA have recently released a paper which examined the case for standardising the terminology and definitions used in internal audit engagements across the whole of the public sector and has subsequently recommended a standard set of opinions and supporting definitions for internal audit service providers to use.

To ensure we continue to conform to the best practice principles, we will be adopting the standard definitions for our 2020/21 work and moving forwards. The assurance opinions are categorised as follows:

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

** Some reports listed within this progress report (pre 2020-21 audit plan) refer to categorisations used by SIAP prior to adoption of the CIPFA standard definitions, reference is provided at Annex 2*

3. Performance dashboard



Compliance with Public Sector Internal Audit Standards



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

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

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

4. Analysis of 'Live' audit reviews

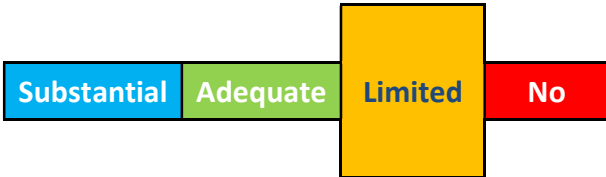
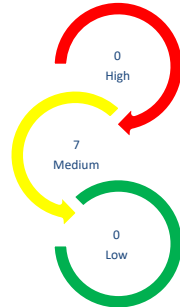
Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')*					
				Total Actions Reported	Not Yet Due	Complete	Overdue		
							Priority		
							L	M	H
Fraud and Irregularities	06/08/2019	HofPPG	Adequate	4 (0)	0 (0)	3 (0)		1	
Accounts Receivable & Debt Management	15/10/2019	CFO	Limited	12 (9)	0 (0)	11 (8)			1
Building Control	17/12/2019	HofP	Limited	6 (1)	0(0)	0 (0)	4	1	1
Asset Management (Property Assets)	17/12/2019	HofP&R	Adequate	7 (5)	3 (1)	3 (3)			1
Procurement	19/12/2019	HofPPG	Limited	6 (3)	0 (0)	5 (2)			1
Main Accounting	30/04/2020	CFO	Adequate	2 (0)	0(0)	1 (0)		1	
Community and Wellbeing Centre	13/07/2020	HofOS	Limited	7 (0)	7 (0)	0 (0)			
Information Governance	17/08/2020	HofPPG	Adequate	9 (0)	8 (0)	1 (0)			
HR and OD – Recruitment of Permanent & Agency Staff	10/09/2020	HofHR&OD	Adequate	3 (0)	1 (0)	2 (0)			

* Details of the overdue 'high priority' management actions is provided at Annex 2

Audit Sponsor			
CFO	Chief Finance Officer	HofP	Head of Planning
HofD&ST	Head of Digital and Service Transformation	HofOS	Head of Operational Services
HofHR&OD	Head of HR and OD	HofP&R	Head of Property & Regeneration
HofPPG	Head of Policy, Performance & Governance	HofH&C	Head of Housing & Community
CLO	Chief Legal Officer		

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

There has been one report concluding a “limited” assurance opinion since the February 2020 Internal Audit Progress Report.

Community & Wellbeing Centre		
Head of Service Sponsor: Head of Operational Services Final Report Issued: 13th July 2020	Assurance opinion: 	Management Actions: 
Summary of key observations: <p>The review provided assurances that regular budget monitoring was regularly undertaken and that bookings were appropriately charged and recorded. Income was also found to be collected and banked accurately and securely.</p> <p>However, the amenity fund was not supported by any policy or procedure notes and its purpose was unclear. Testing highlighted no evidence to support the authorisation of expenditure from the fund and cash payments were found to have been made to pay instructors rather than being appropriately processed through the creditor or payroll system(s).</p> <p>Whilst it was evident that cash reconciliations of the amenity fund were regularly undertaken against the Fund Book, they regularly highlighted positive or negative imbalances that were simply carried forward. The fund book was not reconciled to the funds bank account.</p>		

6. Planning & Resourcing

The scale of COVID-19 coupled with the speed of its impact and the wide-ranging challenges presented has necessitated new and different ways of working across the Council. Such challenges and subsequent resolutions bring with them new and emerging risks that management need to consider, manage, and mitigate. In response, the Southern Internal Audit Partnership engaged with the Council's Leadership Team to reprioritise the originally drafted audit plan in April 2020 to provide assurance in respect of emerging key risk areas and these are detailed within section 8 of this report.

The revised internal audit plan for 2020-21 was approved by the Leadership Team in July 2020 and is included as a separate paper at this committee meeting.

Due to the necessary revision of the internal audit plan and subsequent requirement for approval, progress to date has been limited, however all reviews have now been scheduled over the remainder of the year.

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

7. Rolling Work Programme

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
2019/20 (reviews finalised since the last progress report in February 2020)									
Human Resources & Organisational Development	HofHR&OD	✓	✓	✓	✓	✓	Adequate	✓	Incorporated within the 2019/20 Annual Report & Opinion

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Information Governance	CLO	✓	✓	✓	✓	✓	Adequate	✓	Incorporated within the 2019/20 Annual Report & Opinion
Main Accounting	CFO	✓	✓	✓	✓	✓	Adequate	✓	Incorporated within the 2019/20 Annual Report & Opinion
Local Plan	HofP	✓	✓	✓	✓	✓	Adequate	✓	Incorporated within the 2019/20 Annual Report & Opinion
Community & Wellbeing Centre	HofOS	✓	✓	✓	✓	✓	Limited	✓	Incorporated within the 2019/20 Annual Report & Opinion
Income Generation & Enterprise Plan	CFO	✓	✓	✓	✓	✓	Position Statement	✓	Incorporated within the 2019/20 Annual Report & Opinion
2020/21									
Corporate Cross Cutting									
Programme & Project Management	HofH&C & HofPPG	✓						✓	Q2/Q3
Financial Resilience	CFO							✓	Q4

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Corporate Governance									
Health and Safety	HofPPG	✓	✓	✓				✓	Q2
Decision Making & Accountability	HofPPG / CLO							✓	Q3
Local Government Compensation Scheme	CFO	✓						✓	Q3
Business Support Grant	HofD&ST	✓	✓	✓				✓	Q3
Other COVID Funding / Market Underwriting	HofD&ST & CFO							✓	Q4
COVID Response & Recovery	HofPPG	✓	✓	✓				✓	Q2
Financial Management									
Housing Benefits	HofD&ST	✓	✓					✓	Q3
Accounts Payable	CFO	✓						✓	Q3
Payroll	HofHR&OD	✓	✓					✓	Q3
Information Technology									
Data Management	HofD&ST							✓	Q4

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Disaster Recovery & IT Business Continuity	HofD&ST							✓	Q4
Cyber Security	HofD&ST	✓	✓	✓				✓	Q2
Corporate Priorities									
Climate Change	HofPPG							✓	Q4
Homelessness	HofH&C	✓						✓	Q3/4
Development Management	HofP	✓	✓	✓	✓			✓	Q1
Disabled Facility Grants	HofH&C	✓	✓	✓				✓	Q2
Community Safety	HofH&C							✓	Q4
Parking & Enforcement	HofOS							✓	Q4
EWDC Conservators Account	CFO	✓	✓	✓	✓	✓	n/a	✓	Q1

8. Adjustment to the Internal Audit Plan

There have been no further amendments to the plan presented to the Audit, Crime & Disorder and Scrutiny Committee.

Plan Variations for 2020/21	
Removed from the plan	Reason
Financial Sustainability	Replaced with Financial Resilience review for 2020/21.
Income Collection	Removed on the basis that Parking & Enforcement is already within the plan which is a key source of income.
Information Security	Replaced with the Cyber Security review for 2020/21 due to COVID risks.
Operational Services	Removed from the plan due to significant pressures on the service. Replaced with the Local Government Compensation Scheme review.
Investments	Replaced with Financial Resilience review for 2020/21.
Service Delivery Plans	Removed from the plan to allow for new audit areas due to COVID risks.
Fees and Charges	Removed from the plan to allow for new audit areas due to COVID risks.
Added to the plan	Reason
Business Support Grant	Prioritised due to implications of COVID-19.
Other COVID Funding / Market Underwriting	Prioritised due to implications of COVID-19.
COVID – Response & Recovery	Prioritised due to implications of COVID-19.
Cyber Security	Prioritised due to implications of COVID-19.
Financial Resilience	Prioritised due to implications of COVID-19.
Local Government Compensation Scheme (LGCS)	Included within the plan at the request of the Chief Finance Officer to review the methodology applied and sample check the accuracy of the three submissions to Central Government for the LGCS.

Annex 1

Overdue 'High Priority' Management Actions

Accounts Receivable / Debt Management – Limited Assurance

Observation: A daily reconciliation of the Cash Book to the General Ledger is carried out by entering the daily bank statement balance figure, and the balance on the General Ledger 40100 bank code, into a spreadsheet. There are additional reconciling fields to populate, which would give an explanation of the difference between the two.

A review of the Daily Cash Book Reconciliation spreadsheet revealed the reconciliation element of the spreadsheet was not being populated, which has led to an unexplained, growing difference between the bank statement figure and General Ledger 40100 bank code.

In order to complete the year end bank reconciliation process there was a concerted effort by the Accounting Team to reconcile the bank statement figure to the General Ledger 40100 bank code, which has satisfied the External Auditors.

Since this time the reconciliation process has not been fully completed, due to the ongoing system issues with CivicaPay, which the Accounting Team are continuing to work to resolve. As at 27/08/19, the difference between the accounts was £61,164,634.94.

There have been no monthly sign offs for the bank reconciliation since April 2019.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
<p>The difference between the General Ledger and Bank Statement was due to a known backlog of transactions, which have not yet posted to the General Ledger, due to the system issues since CivicaPay implementation and recent long-term staff absence. As at 11/10/19, the value of unmatched items has been reduced from £61.2m to £8.68m and there remains an unidentified difference of £189k within the bank reconciliation. Officers are working towards clearing all backlog transactions to achieve a fully reconciled bank position by the end of the financial year at the latest. To assist with clearing the backlog, a temporary member of staff has been recruited.</p> <p>There is an issue that a number of duplicate transactions are present in CivicaPay, which officers are working with the supplier to resolve. These duplicate transactions form a reconciling item within the bank reconciliation and are not present in the General Ledger, so are not causing any inaccuracy within the GL.</p> <p>Officers continue to work with the supplier to get the duplicate transactions removed from CivicaPay as soon as possible.</p>	31.03.2020	TBC	<p>Remains in progress – The issue has been escalated with the system supplier (Civicapay) for the need to remove the duplicate transactions, but they are still working on it. Therefore, the duplicates still form a reconciling item on our bank reconciliation.</p> <p>In the meantime, processes and checks are in place for the bank data loaded daily into the system so as soon as the duplicate transactions have been removed from the bank rec module this action will be completed.</p>

Building Control – Limited Assurance

Observation: Testing of fee income due, (as recorded on Uniform), for 12 Building Control Applications found:

- Three, where a letter to remind applicants that there fees were due had been issued (13 June, 25 June and 4 July 2019) but no follow up on these in terms of raising an invoice had been undertaken. Fees due from these applicants remained outstanding at the time of the audit (August 2019).
- One, where it is incorrectly recorded that fees have been paid (£400). There is no evidence on Civica that an invoice has been raised
- Eight where the income information recorded on Uniform agrees to Civica.

There is a risk that the Council are unable to demonstrate income has been received and accurately accounted for.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Reconciliation to take place between Uniform and Civica	31.05.2020	31.03.2021	Business Admin Hub is now established and has been in operation for a couple of months now. However, having regard to the pending second lockdown that a new deadline date of 31 March 2021 for completion of the remaining actions.

Asset Management (Property Assets) – Adequate Assurance

Observation: On a strategic level the current Asset Management Plan makes reference to the proposed use of National Property Performance Indicators, ('NaPPMI') to gauge the effectiveness of the asset strategy in a number of defined areas such as condition, cost of maintenance and utilisation.

Audit testing identified that these indicators are not being compiled. Discussions with staff indicated that this is due to resourcing.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Undertake recruitment and appoint to post.	31.03.2020	TBC	The post was not successfully recruited to and continues to be provided by an agency member of staff.

Procurement – Limited Assurance

Observation: An analysis of spend during the financial year 2018/19 was undertaken to ensure appropriate procurement processes were followed and contracts were evident for those suppliers with whom expenditure exceed EU / CSO thresholds.

From our analysis we sampled five areas of significant spend where we would have expected a tendering process to have been followed and a contract to be in place.

We identified examples of spend with two suppliers (based on soft quotes) that when aggregated exceeded £100K and for which there was no tender process followed.

This expenditure was primarily in respect of asset management and related to local traders.

Committed spend demonstrates non-compliance with CSO's and may leave the Council vulnerable to legal challenge if EU thresholds are exceeded.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
The majority of spend relates to minor works procured by the Projects Team. A small framework will be created that services can be either directly awarded or further competed from to ensure compliance.	30.06.2020	31.03.2021	Due to COVID, resource has been relocated to the Council's Emergency Response and therefore have not continued with any procurement. This action remains in progress.

Epsom & Ewell Borough Council Assurance Opinions (Pre 2020-21)

Substantial	A sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified.
Adequate	Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified.
Limited	Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk.
No	Fundamental weakness identified in the framework of internal control or the framework is ineffective or absent with significant risks to the achievement of system objectives.

External Quality Assessment (EQA)

Report for:

Southern Internal Audit Partnership

Page 59



Prepared by John Chesshire, Bethan Jones
and Liz Sandwith
approved reviewers for
The Chartered Institute of Internal Auditors
14 September 2020



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1.1 Background and Scope

The internal audit service provided by Southern Internal Audit Partnership (SIAP) delivers internal audit services to one strategic Partner (Hampshire County Council), 17 key stakeholder partners (including county, district, borough and city councils, police, fire and rescue and related bodies) and 10 external clients.

The Head of Partnership (supported by the Assistant Head) and two Deputy Heads fulfil the Chief Internal Auditor (CIA) roles for their respective client portfolios. They report functionally to Audit Committees in the partner and client organisations. In addition, the Head of Partnership reports strategically to the Key Stakeholder Board.

SIAP seeks to bring together the professional discipline of internal audit across partnering organisations, pooling expertise and enabling a flexible, responsive and resilient service to our partner and client portfolio. To help achieve this, SIAP follows the IIA's Mission for internal auditing and the International Professional Practices Framework (IPPF) and the Public Sector Internal Audit Standards (PSIAS).

The Chartered Institute of Internal Auditors previously undertook an external quality assessment (EQA) of SIAP in 2015. We are delighted that SIAP commissioned us to undertake this current EQA once again.

Our review included a thorough validation of the SIAP's self-assessment, a significant number of interviews with key stakeholders across the partner and client organisations, SIAP team members, as well as an extensive customer survey.

Given the pandemic, we conducted this EQA remotely.

1.2 Key Achievements

SIAP is an established and effective internal audit service, valued by key stakeholders in its partner and client organisations.

The governance framework over SIAP is mature, with a well-established Key Stakeholder Board and Audit Committee oversight, regular meetings, reporting and performance monitoring.

A very experienced Head of Partnership leads the SIAP team, supported by three senior managers. Engagement with key stakeholders is regular and effective, with the Head of Partnership viewed as a trusted, independent and respected leader.

SIAP team members have diverse professional backgrounds, qualifications, experience and skills, making them a flexible and effective service. They can tackle a wide range of assurance, consulting and investigatory challenges. The team also contains IT audit and counter fraud specialists. The Head of Partnership could procure additional external support if needed through a budget for co-sourcing. SIAP operates a matrix management approach to team operation and deployment.

Our stakeholder survey results were also positive. Individual comments were very supportive, with very few areas for improvement identified. We also received positive responses to our questions from the key stakeholders we interviewed. Individuals particularly welcomed the SIAP team's overall professionalism, objectivity, engagement, planning and reporting. Suggested areas for improvement were minimal.

The team's Audit Charter is comprehensive, up to date and supported by an appropriate internal audit methodology. The team have developed and delivered annual risk-based audit plans for each of their clients and are moving to a more flexible quarterly

approach. Key stakeholders are actively engaged in the design of these plans. The SIAP team document progress and the Head of Partnership and senior colleagues report on this at regular Audit Committee meetings.

SIAP managers actively monitor performance, the Head of Partnership measures and reports on a small number of KPIs, and a thorough, documented Quality Assurance and Improvement Programme is in place. The team make good use of MKI audit management software. They are also making progress on implementing a more data analytics-driven approach to some internal audit engagements but acknowledge that they need to undertake more work in this area.

We believe that the supporting operational SIAP team processes, documentation and associated templates are fit for purpose. SIAP managers have detailed these in a variety of key documents.

Our file reviews showed appropriate compliance with the team's methodology and evidence of appropriate scope, objectives, testing, evidence, supervision and review.

1.3 EQA Assessment Conclusion

We are pleased to report that the SIAP team meet each of the Standards, as well as the Definition, Core Principles and the Code of Ethics, which form the mandatory elements of the Public Sector Internal Audit Standards (PSIAS) and the Institute of Internal Auditors' International Professional Practices Framework (IPPF), the globally recognised standard for quality in Internal Auditing.

To summarise, we are delighted to report that the SIAP team are excellent in their:

- Reflection of the Standards
- Focus on performance, risk and adding value
- Quality Assurance and Improvement Programme

We believe that the SIAP team are good in their:

- Operating with efficiency
- Coordinating and maximising assurance

In conclusion, this is an excellent result and the Head of Partnership and SIAP team should be justifiably proud of their service, its approach, working practices and how key stakeholders' value it.

It is therefore appropriate for the function to say in reports and other literature 'Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing'.

1.4 Conformance Opinion

The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards.

There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles.

It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. This is summarised in the table below.

Summary of Conformance	Standards	Generally Conforms	Partially Conforms	Does not conform	Not relevant	Total
Definition of IA and Code of Ethics	Rules of conduct	12				12
Purpose	1000 - 1130	8				8
Proficiency and Due Professional Care (People)	1200 - 1230	4				4
Quality Assurance and Improvement Programme	1300 - 1322	7				7
Managing the Internal Audit Activity	2000 - 2130	12				12
Performance and Delivery	2200 - 2600	21				21
Total		64				64

As a result, we make no formal recommendations for improvement.

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

The Chartered Institute regards conformance to the IPPF as the foundation for effective internal audit practice. However, our EQA reviews also seek feedback from key stakeholders and we benchmark each function against the diversity of professional practice seen on our EQA reviews and other interviews with heads of internal audit, summarised in an internal audit maturity matrix.

We then interpret our findings into suggestions for further development based upon the wide range of guidance published by the Chartered Institute.

It is our aim to offer advice and a degree of challenge to help internal audit activities continue their journey towards best practice and excellence.

In the following pages we present this advice in three formats:

- A SWOT analysis to recognise the accomplishments of the team and to highlight potential threats and opportunities for development. [\(See 2.1\)](#)
- A matrix describing the key criteria of effective internal audit, highlighting the level SIAP has achieved and the potential for further development, recognising that effective internal audit goes further than purely conformance with internal auditing standards. [\(See 2.2\)](#)
- A series of improvement opportunities and suggestions which the internal audit team could use as a basis for an action plan. [\(See 2.3\)](#)

2.1 SWOT Analysis

What works well (Strengths)

- An experienced, diverse and professional team, with a broad mix of qualifications, backgrounds and specialisms, including IT and counter fraud
- The Head of Partnership is well-respected, independent, confident and knowledgeable
- Move to quarterly planning demonstrates greater agility and responsiveness to a volatile, changing environment
- Very positive staff and stakeholder survey results
- The 'added value' section in the internal audit reports usefully highlights good practice and improvement opportunities
- Training and Development Plan developed, particularly in response to recruitment and expansion. Well-received training sessions delivered at the start of the pandemic
- SIAP governance is clearly documented (Charters, Plans, Audit Methodology and flowcharts, the QAIP etc.) and the audit methodology, including action follow up, works well
- Client relationship management - effective relationships with key stakeholders, both councillors and officers
- Stakeholders value the sharing of best practice and emerging issues across the sector and between organisations

What could be done better (Weaknesses)

- Lengthy elapsed time for some internal audit engagements

What could deliver further value (Opportunities)

- Virtual/remote working 'lessons learned' and implementation, coupled with a more agile-focused mindset
- Progressing the implementation of enhanced data analytics would enable more comprehensive testing and reliable, insightful conclusions and reporting
- MKI Upgrades likely to enhance functionality and improve the internal audit methodology and working practices, potentially including automated action tracking and reviewer sign off
- Further emphasis on assurance mapping, coupled with placing reliance on assurance providers in the second line
- Continue with the ongoing development of quarterly planning enabling new business areas, emerging areas of risk and changing business processes are adequately
- Increasing visibility and awareness of SIAP by an appropriate presence on each partner website and/or intranet site
- Increased sharing of lessons, benchmarking and good practice would demonstrate further added value
- The Staff Survey highlighted some desire for improved intra-team communications and better celebration of success. Communication of successes from internal audit engagements could be motivational and help embed lessons and good practices across the wider SIAP service
- Rotating managers more frequently between clients can ensure fresh perspectives and help avoid over-familiarity

What could stand in your way (Threats)

- Partner and client funding cuts would threaten internal audit delivery, resourcing, resilience and the ability of the Head of SIAP to provide evidence-based annual opinions
- Client data quality may limit the opportunity to benefit from enhanced data analytics
- Second line functions may need to mature more fully. Unless this happens, the SIAP team will be unable to place further reliance on them, or coordinate their work more effectively, with them
- Excessive staff turnover and unfilled vacancies, could threaten service delivery
- A potential second wave of COVID could impact service delivery - not everything can be audited remotely - and threaten the ability of the CIA to deliver an annual opinion

2.2 Internal Audit Maturity Matrix

Assessment	IIA standards	Focus on performance, risk and adding value.	Coordination and maximising assurance	Operating with efficiency	Quality Assurance and Improvement Programme
Excellent	Outstanding reflection of the IIA standards, in terms of logic, flow and spirit. Generally Conforms in all areas.	IA alignment to the organisation's objectives, risks and change. IA has a high profile, is listened to and is respected for its assessment, advice and insight.	IA is fully independent and is recognised by all as the 3rd line. The work of assurance providers is coordinated with IA reviewing reliability of.	Assignments are project managed to time and budget using tools/techniques for delivery. IA reports are clear, concise and produced promptly.	Ongoing efforts by IA team to enhance quality through continuous improvement. QA&IP plan is shared with, and approved by, AC.
Good	The IIA Standards are fully integrated into the methodology – mainly Generally Conforms.	Clear links between IA engagement objectives to risks and critical success factors, with some acknowledgement of the value-added dimension.	Coordination is planned at a high-level around key risks. IA has established formal relationships with regular review of reliability.	Audit engagements are controlled and reviewed while in progress. Reporting is refined regularly, linking opinions to key risks.	Quality is regarded highly, includes lessons learnt, scorecard measures and customer feedback with results shared with AC.
Satisfactory	Most of the IIA Standards are found in the methodology, with scope to increase conformance from Partially to Generally Conform in some areas.	Methodology requires the purpose of IA engagements to be linked to objectives and risks. IA provides advice and is involved in change, but criteria and role require clarity.	The 3 lines model is regarded as important. Planning of coordination is active and IA has developed better working relationships with some review of reliability.	Methodology recognises the need to manage engagement efficiency and timeliness, but further consistency is needed. Reports are informative and valued.	Clear evidence of timely QA in assignments with learning points and coaching. Customer feedback is evident. Wider QA&IP may need formalising.
Needs improvement	Gaps in the methodology with a combination of Non-conformances and Partial Conformances to the IIA Standards.	Some connections to the organisation's objectives and risks, but IA engagements are mainly cyclical and prone to change at management request.	The need to coordinate assurance is recognised but progress is slow. Some informal coordination occurs but reviewing reliability may be resisted.	Multiple guides that are slightly out of date and form a consistent and coherent whole. Engagements go beyond deadline and a number are deferred.	QC not consistently embedded across the function. QA is limited / late or does not address root causes.
Poor	No reference to the IIA Standards, with significant levels of non-conformance.	No relationship between IA engagements and the organisation's objectives, risks and performance. Many audits are ad hoc.	IA performs its role in an isolated way. There is a feeling of audit overload, with confusion about what various auditors do.	Lack of a defined methodology with inconsistent results. Reports are usually late with little perceived value.	No evidence of ownership of quality by the IA team.

2.3 Improvement Opportunities

This section of the report details additional feedback and observations which, if addressed, could strengthen the impact of Internal Audit. These observations are not conformance points but support Internal Audit's ongoing development.

These suggestions do not require a response; they will not form part of any subsequent follow up if undertaken.

Opportunity A

Elapsed time on internal audit engagements - there is a long, elapsed time from start to finish for some of the engagements carried out across the partner organisations. There is no single reason for this, but SIAP economy, efficiency and effectiveness would be improved if elapsed time was reduced. The Head of Partnership and the SMT have recognised this as an area for improvement and will explore more agile ways of working and assess good practices employed across the SIAP team to help reduce this.

Suggestion: We believe that the Head of Partnership and the SMT could usefully revisit SIAP engagement delivery to better assess the root causes of delays, and pilot solutions. Potential solutions may certainly include employing a more agile 'site audit' approach and mindset on some engagements, deploying task-based teams on specific engagements (rather than solo personnel), closer engagement with the audit client to ensure availability for short duration intense engagements, or undertaking additional identical audits using the same team members across several partner organisations, to increase pace and efficiency. We support the intention to focus on improving this area.

Opportunity B

Data Analytics - the SIAP team have begun to employ data analytics in relevant assurance engagements but have been hampered by poor quality data in some areas to date. The Head of Partnership and the SMT want to expand the use of data analytics and recognise the benefits this will bring the service.

Suggestion: We believe that the Head of Partnership and the SMT should consider how best to increase and embed the use of data analytics more rapidly across SIAP to enhance the depth and breadth of assurances provided. Some leading internal audit teams have moved to a methodology position of having to justify why data analytics should not be employed on an engagement. The expectation is that use of data analytics is the default position for every engagement. Other internal audit teams have developed a strategy covering a roadmap to roll out and embed a data analytics capability and mindset over a three-year horizon.

Opportunity C

Audit Management Software - The SIAP team are currently awaiting further enhancements to their MKI software application.

Suggestion: We believe that team efficiency could be further enhanced if they requested an upgrade to the way in which evidencing management review of audit work occurs, perhaps through working paper 'date stamp' functionality. We found the current review process to be cumbersome and time-consuming. Additionally, to further ongoing initiatives to automate the action tracking process, seek to enable the system to automatically email action owners at regular intervals. This would also enhance team efficiency and reduce the need for manual intervention.

Opportunity D

Remote working and the future - what the internal audit working environment of the future will look like is unclear. The extent to which a mixed economy of office and remote working is here to stay is uncertain. However, the SIAP team have responded well to pandemic-driven changes, and a comment in the recent staff survey highlights that "in terms of flexible working, the strategy is being completed collaboratively in consultation with staff". Whatever happens, pressure on the SIAP's key stakeholders, managers and staff is likely to increase, available time will decrease and this may challenge aspects of the internal audit process and relationships.

Suggestion: We believe that the Head of Partnership and the SMT could usefully undertake a lessons learned review of what has worked well over the last six months, where improvements are required, what the key 'ways of working' learning points are and how the SIAP approach, ethos and methodology may need to adapt to ensure continued stakeholder buy-in, effective relations, the acceptance of the need for internal audit engagements and the timely implementation of any ensuing actions, in a changed and challenging environment.

Opportunity E

Coordination and reliance on other assurance providers - further emphasis on assurance mapping, coupled with placing reliance on assurance providers in the second line (where it is right to do so) may increase the effectiveness of assurances to senior management and the audit committee(s).

Suggestion: We believe that the Head of Partnership should continue to develop a robust, reliable and value-adding approach to assurance mapping and reliance, to enhance efficiency and effectiveness.

Opportunity F

Periodic Planning - the move to a more flexible and responsive quarterly planning, engagement allocation and delivery model is a welcome development and appropriate for the current volatile and changing environment.

Suggestion: We support the Head of Partnership in continuing to ensure that new business teams, innovative or revised services, emerging areas of risk and changing partner and client governance, strategies and delivery models are adequately covered in the SIAP risk assessment and reflected in these quarterly internal audit plans. This will help ensure the team remain insightful, proactive, and future-focused, providing professional assurance over new and emerging areas of organisational risk. Continued oversight of evolving areas of internal audit practice from research, networking and professional events will assist this approach.

The following rating scale has been used in this report:

Generally Conforms (GC)	<p>The reviewer has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual Standard or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual Standards or elements of the Code of Ethics, and at least partial conformance to the others, within the section/category. There may be significant opportunities for improvement, but these must not represent situations where the activity has not implemented the Standards or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives. As indicated above, general conformance does not require complete/perfect conformance, the ideal situation, successful practice, etc.</p>
Partially Conforms (PC)	<p>The reviewer has concluded that the activity is making good-faith efforts to comply with the requirements of the individual Standard or element of the Code of Ethics, section, or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the Standards or Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the activity and may result in recommendations to senior management or the board of the organisation.</p>
Does Not Conform (DNC)	<p>The reviewer has concluded that the activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many/all of the objectives of the individual Standard or element of the Code of Ethics, section, or major category. These deficiencies will usually have a significant negative impact on the activity's effectiveness and its potential to add value to the organisation. They may also represent significant opportunities for improvement, including actions by senior management or the board.</p>

Often, the most difficult evaluation is the distinction between general and partial. It is a judgement call keeping in mind the definition of general conformance above. The reviewer must determine if basic conformance exists. The existence of opportunities for improvement, better alternatives, or other successful practices does not reduce a "generally conforms" rating

Stakeholder Interviews

We interviewed the following individuals as part of the review. We also sent out stakeholder surveys to 38 senior managers and Audit Committee members across the partner organisations. We are pleased to have received 19 completed survey responses from the 38 requests. We have shared the anonymised survey results with the Head of Partnership.

Stakeholders	Title / position	Internal Audit team	Title / position
Cllr Nigel Dennis	Chair Regulation, Audit and Accounts Committee, West Sussex County Council	Neil Pitman	Head of Partnership
Gill Kneller	Chief Executive, Havant Borough Council and East Hampshire District Council	Karen Shaw	Deputy Head of SIAP
Cllr Margot Power	Chair Audit Committee, Winchester City Council	Nat Jerams	Assistant Head of SIAP
Katharine Eberhart	Director Finance and Support Services, West Sussex County Council	Ant Harvey	Deputy Head of SIAP
Melvyn Neate	Chair, Hampshire Joint Audit Committee	Abbas Alimohamed	Auditor
Nick Gray	Deputy Chief Executive and S151 Officer, Mole Valley District Council	Chris Benn	Senior Auditor
Cllr Allan O'Sullivan	Chair Audit Committee, New Forest District Council	Bev Davies	Audit Manager
Carolyn Williamson	Director of Resources and Deputy Chief Executive (S151), Hampshire County Council		
Paul Burden	Chair, Sussex Joint Audit Committee		

Lydia Morrison	S151 Officer, Havant Borough Council and East Hampshire District Council
John Coughlan	Chief Executive, Hampshire County Council
Cllr Keith Evans	Chair Audit Committee, Hampshire County Council
Richard Croucher	Chief Finance Officer, Hampshire Constabulary and Deputy Chief Finance Officer Hampshire Fire and Rescue Authority
Pat Main	S151 Officer, Reigate and Banstead Borough Council
Bob Jackson	Chief Executive, New Forest District Council
Elaine Jackson	Acting Chief Executive, Tandridge District Council
Cllr Briggs	Chair of Governance, Audit and Finance Board, Havant Borough Council
Lisa Kirkman	Strategic Director Resources, Winchester City Council

Acknowledgement

We would like to thank the SIAP team for their time, assistance and support during this review and all those who took part in the review for their co-operation together with their open and honest views.

Feedback from stakeholder interviews and surveys

Working with the business

"The service is very proactive and accessible. They keep me regularly informed of progress and any issues they have". Stakeholder Survey feedback.

"The SIAP team have a very good relationship with the senior management team - this makes life so much easier when issues arise". Stakeholder interview.

"The team are proactive and responsive". Stakeholder interview.

"Those being audited feel that SIAP are undertaking the audit 'with' them not 'to' them". Stakeholder interview.

Communication

"Their reports are about right – clear, straightforward and an appropriate length". Stakeholder interview.

"The team are exceptionally professional, and sensitive, and have developed confidence in the staff, which ensures the accuracy of the audit is underpinned". Stakeholder Survey feedback.

"They deliver good, professional presentations to the Executive Board". Stakeholder interview.

"It is very apparent in Audit Committee meetings that Neil is a very independent voice". Stakeholder interview.

"SIAP engagement reports are short, sharp and to the point". Stakeholder interview.

"The SIAP lead is knowledgeable, experienced and briefs the committee clearly and constructively". Stakeholder interview.

Internal audit plans and coverage

"We collectively put together the programme of internal audits and it's a really useful management tool for us". Stakeholder interview.

"If we have any cause for alarm, they are very responsive and will do deep dives where necessary". Stakeholder interview.

"We get sufficient input to internal audit plans and certainly have the opportunity to ask for work". Stakeholder interview.

"The Audit Committee is fully consulted in developing the plan and has good sight of its evolution and delivery through regular progress reports". Stakeholder interview.

Value

"We genuinely value the service." Stakeholder interview.

"I like the fact that they see what is happening in other organisations and share what other local authorities are doing." Stakeholder interview.

"The staff are all very professional, approachable and are always looking for solutions to issues they come across. This gives me confidence". Stakeholder Survey feedback.

"The SIAP team work well. I'm very happy. They represent value for money and deliver a good service." Stakeholder interview.

"I can honestly say SIAP are the best Internal Audit provider have ever come across." Stakeholder interview.

"I am happy that the team do try to focus on providing added value at all times". Stakeholder Survey feedback.

Disclaimer: This review was undertaken in September 2020 by John Chesshire, Bethan Jones and Liz Sandwith on behalf of the Chartered Institute of Internal Auditors. This report provides management and the SIAP Audit Committees with information about Internal Audit as of that date. Future changes in environmental factors and actions taken to address recommendations may have an impact upon the operation of Internal Audit in a manner that this report cannot anticipate.

Considerable professional judgment is involved in evaluating. Accordingly, it should be recognised that others could draw different conclusions. We have not re-performed the work of Internal Audit or aimed to verify their conclusions. This report is provided on the basis that it is for your information only and that it will not be quoted or referred to, in whole or part, without the prior written consent of the Chartered Institute of Internal Auditors.

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ANNUAL REPORT ON THE USE OF RIPA POWERS

Head of Service: Amardip Healy, Chief Legal Officer
Wards affected: (All Wards);
Urgent Decision?(yes/no) no
If yes, reason urgent decision required:
Appendices (attached): none

Summary

To report on the Council's activities relating to surveillance under the Regulation of Investigatory Powers Act 2000 for 2019.

Recommendation (s)

The Committee is asked to:

- (1) note the annual report of the Council's use of its RIPA powers;**
- (2) note the Council's "Policy & Guidance on Lawful Surveillance" will be brought back to this Committee following the conclusion of the current Inspection by the Investigatory Powers Commissioner's Office.**

1 Reason for Recommendation

- 1.1 This report seeks to inform on the last year's activities and update the Committee on the current Inspection by the Investigatory Powers Commissioner's Office.

2 Background

- 2.1 The Council undertakes a number of functions which involve the enforcement of laws and regulation. On occasion, Officers may need to conduct investigations and, in exceptional circumstances, the Council has the power to make use of covert surveillance and similar activities.

- 2.2 The Regulation of Investigatory Powers Act 2000 (RIPA) and the Codes of Practice issued under section 71 of that Act, regulates the way in which the Council conducts surveillance for the purposes of law enforcement. The fundamental requirement of RIPA is that when the Council considers undertaking directed surveillance or using a covert human intelligence source it must only do so if:
- a) the activity has been authorised by an officer with appropriate powers, and
 - b) the relevant criteria are satisfied, including authorisation by the Magistrates Court.
- 2.3 All RIPA surveillance which the Council wishes to authorise must be approved by an Authorising Officer and also be approved by a Magistrate. Where a Local Authority wishes to seek to carry out a directed surveillance or make use of a human intelligence source the Council must apply to a single Justice of the Peace. The Home Office issued guidance to Local Authorities and to Magistrates on the approval process for RIPA authorisations.

Inspections

- 2.4 The Investigatory Powers Commissioner's Office has responsibility to oversee the exercise of the use by Councils of their surveillance powers.
- 2.5 Following a desktop review by the Surveillance Commissioner in 2017 (as it was known then), a number of recommendations were made. They included updates to the Council's RIPA Policy. The recommendations were incorporated into an amended policy and approved by Strategy & Resources Committee on the 17th April 2018.
- 2.6 Following a review of the law and good practice, no changes were felt necessary to the Policy in 2019.
- 2.7 The Council's use of surveillance powers is currently being inspected by the Investigatory Powers Commissioner's Office. As a result, a review of the current policy will be delayed until the outcome of the current inspection is known.

Use of Powers 2019

- 2.8 There were no applications for directed surveillance authorisations in 2019. The last time the powers were used was in 2018, in connection with a waste offence, to identify subscriber information from a mobile telephone number.

3 Risk Assessment

Legal or other duties

3.1 Impact Assessment

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

3.2 Crime & Disorder

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

3.3 Safeguarding

- 3.3.1 None arising from the contents of this report.

3.4 Dependencies

- 3.4.1 None

3.5 Other

- 3.5.1 None

4 Financial Implications

- 4.1 None arising from the contents of this report.

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

5 Legal Implications

- 5.1 None arising from the contents of this report.

- 5.2 **Monitoring 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: not applicable for the purposes of this report.

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

6.3 **Climate & Environmental Impact of recommendations:** not applicable for the purposes of this report.

6.4 **Sustainability Policy & Community Safety Implications:** The RIPA Policy is part of the Council's regulatory toolkit. An annual review of the Policy helps to maintain public confidence in the Council's position on community safety.

6.5 **Partnerships:** Not applicable for the purposes of this report.

7 Background papers

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

Previous reports:

- Annual report Audit, Crime & Disorder and Scrutiny Committee, 25 June 2019.

Other papers:

- Policy & Guidance on Lawful Surveillance, 2018.

CORPORATE PLAN: 2019 TO 2020 YEAR END PERFORMANCE AND TARGET OVERVIEW 2020 TO 2021

Head of Service:	Gillian McTaggart, Head of Policy, Performance & Governance
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1: Key Priority Targets 2019/20 End of Year Position Appendix 2: Key Priority Targets 2020/21

Summary

This report provides the end of year status of the Key Priority Targets 2019/20 and presents the Key Priority Targets for 2020/21, the first year of the new corporate plan 2020 to 2024.

Recommendation (s)

The Committee is asked to:

- (1) consider the Key Priority Targets, End of Year Position 2019/20, set out at Appendix 1.**
- (2) note the Key Priority Targets for 2020/21 set out at Appendix 2.**

1 Reason for Recommendation

- 1.1 The Audit, Crime & Disorder and Scrutiny Committee has a responsibility under Paragraph 4 of the Overview and Scrutiny Procedure Rules of the Constitution for monitoring progress on the Council's Corporate Plan.
- 1.2 In line with this responsibility, the Committee is asked to consider the Council's end of year performance against the Key Priority Targets 2019/20.

- 1.3 The Committee is also provided with an overview of the targets set for 2020/21. The Committee will receive further reports outlining progress made against these targets during 2020/21.

2 Background

Key Priority targets 2019/20

- 2.1 The Council agreed a four year Corporate Plan for the period 2016 to 2020; 2019/20 was the last year of this particular plan.
- 2.2 The Committee received an overview of the Key Priority Targets (KPTs) for 2019/20 on 25 June 2019. It received an update on progress made on 21 November 2019 and 6 February 2020. End of year status, normally reported to this Committee in June, has been delayed due to the COVID-19 pandemic and lockdown.
- 2.3 The end of year position for the KPTs 2019/20 is set out at Appendix 1. The overall percentage of targets achieved and not achieved is set out in the table below.

Key to reporting Status	Number	%
Achieved	33	62
Achieved by year end, but not in accordance with agreed timeframe	2	4
Total achieved by year end	35	66 (n=35/53)
Not Achieved	18	34 (n=18/53)
Information Only	3	-
TOTAL	56	100

- 2.4 Overall, the percentage achievement of targets in 2019/20 (66%, n=35/53) is down from last year by 8% and slightly down from the year prior, 2017/18, by 2% as shown in the table below.

Year	% Achievement
2018/19	74 (n=46/62)
2017/18	68 (n=43/63)

2.5 Despite this variation in percentage achievement, the number of targets not achieved has remained fairly constant across the last three years:

2.5.1 2019/20 - 18

2.5.2 2018/19 – 16

2.5.3 2017/18 – 17

2.6 Two statistical targets were narrowly missed in 2019/20:

2.6.1 Graffiti – remove offensive graffiti within two working days of being reported to Operational Services. This target was missed by 3%.

2.6.2 Recycle 54% domestic waste by 31 March 2020. This target was missed by just 0.64%.

2.7 The target to keep the number of households living in emergency nightly paid temporary accommodation below 40 per month was not achieved in 2019/20. At the end of the year 82 households were in temporary accommodation; 14 of which were under the Government's Rough Sleeper Initiative implemented due to COVID-19.

2.8 The table below sets out how each of the targets not achieved at year-end has or will be progressed during 2020/21.

2019/20 Target Not Achieved at Year-End	Follow-Up Action for 2020/21
Report on progress against the actions within the single use plastics policy by January 2020.	Included within the Climate Change Action Plan – Theme 4 – Improvements to the Environment
Review the current CCTV provision and assess options and report to the Environment and Safe Communities Committee by October 2019.	Initial discussions with the police on street wide CCTV have not progressed during the pandemic, but additional mobile CCTV units have been funded (report to Environment & Safe Communities Committee 20 October 2020).

2019/20 Target Not Achieved at Year-End	Follow-Up Action for 2020/21
Report the Homelessness & Rough Sleepers Strategy to the Community & Wellbeing Committee by October 2019.	Incorporated within the KPTs 2020/21 under 'Safe and Well'
Review the provision of Daycare+ and report to the Community & Wellbeing Committee by 31 October 2019.	Incorporated within the KPTs 2020/21 under 'Safe and Well'
Create additional in-borough temporary accommodation by March 2020.	This target will be achieved by 31 December 2020
Complete the Epsom Cemetery expansion works by 31 December 2019.	Target achieved August 2020
Procure and install the new IT system for Operational Services to enable the replacement of the CRM by September 2019.	Three initial work streams for the reporting of fly-tipping, graffiti and dead animals went live on 5 October 2020. Next stage reflected in KPTs 2020/21 under Effective Council.
Produce a 10 year Asset Management Plan by July 2019.	Target achieved July 2020.
<p>Income Generation Plan</p> <ul style="list-style-type: none"> • Deliver the agreed targets contained within year 2 of the Plan (as agreed at S&R Committee on 17 April 2018) • Review progress against year 1 of the plan and report to S&R Committee by February 2020. 	Incorporated within the KPTs 2020/21 under 'Effective Council'
Report to Strategy & Resources Committee an update on current and future commitments on the Residential Acquisition Fund by January 2020.	This work is on hold, but will be included within the work programme of the Homelessness Working Party

2019/20 Target Not Achieved at Year-End	Follow-Up Action for 2020/21
Undertake a second consultation on next stage of the Local Plan by September 2019.	Incorporated within the KPTs 2020/21 under 'Opportunity and Prosperity'
Report to S&R on options on the future development of South Street premises for both residential and commercial units by July 2019.	Incorporated into the Service Delivery Plan 2020/21
Hold three business breakfasts and a dinner by March 2020.	Target not achieved. Target not being progressed during 2020/21.
Statistical Targets	Included in KPTs 2020/21.

Key Priority Targets for 2020/21

- 2.9 Appendix 2 sets out the Council's KPTs for 2020/21. This year is the first year of the new Four Year Plan 2020 to 2024.
- 2.10 In light of the on-going impact of COVID-19 on the Council and its services, the targets contained within the Service Delivery Plan (SDP) 2020/21 were revised to reflect what could be delivered and agreed through the Leadership Team and Member Recovery cell. The KPTs set for 2020/21 reflect these revised priorities for each service area and are based on the top three priorities within each service area and the overall top five priorities agreed corporately.
- 2.11 Since the SDP priorities for 2020/21 were revised the Government has introduced a new national lockdown. This latest development might have an impact on the delivery of priorities going forward due to work on the emergency response and work to support it. Particular areas that might be impacted include the Communications Review, potential for Grounds Maintenance Shared Service and the Climate Change Action Plan.

3 Risk Assessment

Legal or other duties

3.1 Impact Assessment

3.1.1 No implications associated with this report.

3.2 Crime & Disorder

3.2.1 No implications associated with this report.

3.3 Safeguarding

3.3.1 No implications associated with this report.

3.4 Dependencies

3.4.1 Overall achievement of the key outcomes of the Four Year Plan 2020-2024 may be impacted if the COVID-19 pandemic continues for a significant period of the current plan.

3.5 Other

3.5.1 No other implications.

4 Financial Implications

4.1 Delivery of the KPTs 2020/21 will be met by the approved Budget 2020/21; Strategy & Resources Committee received a report on the financial impact of COVID-19 at its meeting of 2 July 2020.

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

5 Legal Implications

5.1.1 No implications associated with this report.

5.2 **Monitoring 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:

6.1.1 Green & Vibrant – A better place to live where people enjoy their surroundings

6.1.2 Safe & Well – A place where people feel safe, secure and lead healthy, fulfilling lives

6.1.3 Opportunity & Prosperity – A successful place with a strong, dynamic local economy where people can thrive

6.1.4 Smart & Connected – Alive and connected socially, economically, geographically and digitally

6.1.5 Cultural & Creative – A centre for cultural and creative excellence and inspiration

6.1.6 Effective Council – Engaging, responsive and resilient Council

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

6.3 **Climate & Environmental Impact of recommendations:** Year 1 actions of Climate Change Action Plan reflected in KPTs and SDP 2020/21.

6.4 **Sustainability Policy & Community Safety Implications:** Year 1 actions of Community Safety & Enforcement reflected in SDP 2020/21.

6.5 **Partnerships:** Successful achievement of some Key Priority Targets for 2020/21 will require work with partners, including the Local Government Association, GLL and economic partners.

7 Background papers

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

Previous reports:

- Corporate Plan: 2018 to 2019 Year End Performance and Target Overview 2019 to 2020, Audit, Crime & Disorder and Scrutiny Committee 25 June 2019
- Corporate Plan: Performance Report One 2019-20, Audit, Crime & Disorder and Scrutiny Committee 21 November 2019
- Corporate Plan: Performance Report Two 2019-20, Audit, Crime & Disorder and Scrutiny Committee 21 November 2019
- Four Year Plan 2020-2024; Strategy & Resources Committee 14 January 2020
- Financial Impact of COVID-19, Strategy & Resources Committee 2 July 2020

Other papers:

- Service Delivery Plan 2020/21

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Key Priority Targets 2019/20 End of Year Position – Non Validated

Keeping Our Borough Clean And Green	Supporting Our Community	Managing our Resources	Supporting Businesses And Our Local Economy
<div><div>• Produce a report on the options for electric charging points in car parks to Environment & Safe Communities by October 2019. (Ian Dyer; E&SC) (Target Achieved)</div><div>• Report on progress against the actions within the single use plastics policy by January 2020. (Amardip Healy; E&SC)</div><div>• Create the Seasonal Environmental Action Team (SEAT) and work programme by April 2019. (Ian Dyer; E&SC) (Target Achieved)</div><div>• Maintain external accreditation to Alexandra Recreational Ground, Ewell Court Park and Rosebery Park and a South East in Bloom Award for Nonsuch Park by December 2019. (Ian Dyer; C&W) (Target Achieved)</div><div>• Produce Operational Management Plans for Shadbolt Park and Gibraltar Recreation Ground by December 2019. (Ian Dyer; C&W) (Target Achieved)</div><div>• Report on options for Stones Road Allotment by July 2019. (Mark Shephard; S&R) (Target Achieved)</div><div>• Hold at least 6 Community Clean up events by November 2019. (Ian Dyer; C&W) (Target Achieved)</div></div> <div>Statistics<div>• Graffiti – remove 95% of graffiti on council owned land within 5 working days of being reported to Operational Services. (Ian Dyer; E&SC) (March 50%; March YTD 58.05%)</div><div>• Fly tipping – remove 95% of all fly tips on council owned land within 5 working days of being reported to Operational Services. (Ian Dyer; E&SC) (March 100%; March YTD 95%) (Target Achieved)</div><div>• Graffiti – remove offensive graffiti within two working days of being reported to Operational Services. (Ian Dyer; E&SC) (March 100%; March YTD 97%)</div><div>• Recycle 54% domestic waste by 31 March 2020. (Ian Dyer; E&SC) (End of year 53.36%)</div><div>• Over the year at least 99% of bins to be collected on average each week by 31 March 2020. (Ian Dyer; E&SC) (March YTD 99.88%) (Target Achieved)</div></div>	<div><div>• Review the current CCTV provision and assess options and report to the Environment and Safe Communities Committee by October 2019. (Rod Brown; E&SC)</div><div>• Report the Homelessness & Rough Sleepers Strategy to the Community & Wellbeing Committee by October 2019. (Rod Brown; C&W)</div><div>• Review the provision of Daycare+ and report to the Community & Wellbeing Committee by 31 Oct 2019. (Ian Dyer; C&W)</div><div>• Create additional in-borough temporary accommodation by March 2020. (Rod Brown; C&W)</div><div>• Complete the Epsom Cemetery expansion works by 31 December 2019. (Rod Brown; C&W)</div><div>• Using evidence, identify and address community safety hot spots/ themes within the Borough as outlined in the Community Safety Plan by December 2019. (Rod Brown; E&SC) (Target Achieved)</div><div>• Develop a Corporate Health & Wellbeing Strategy and report to Community & Wellbeing Committee by October 2019. (Rod Brown; C&W) (Target Achieved)</div><div>• Report to S&R on a permanent scheme for the allocation of CIL 15% (Community Infrastructure Levy) by April 2019. (Gillian McTaggart; S&R) (Target Achieved)</div><div>• Publish the draft Vision for consultation by September 2019. (Damian Roberts; S&R) (Target Achieved)</div></div> <div>Statistics<div>• Less than 40 households living in emergency nightly paid temporary accommodation per month. (Rod Brown; C&W) (31 March: 82)</div><div>• At least 30 households supported through the rent deposit scheme by 31 March 2020. (Rod Brown; C&W) (31 March: 33) (Target Achieved)</div><div>• At least 8 households accommodated through the private sector leasing scheme by 31 March 2020. (Rod Brown; C&W) (31 March: 10) (Target Achieved)</div></div>	<div><div>• Procure and install the new IT system for Operational Services to enable the replacement of the CRM system by Sept 2019. (Judith Doney; S&R)</div><div>• Produce a 10 year Asset Management Plan by July 2019. (Mark Shephard; S&R)</div><div>• Report and approve the new suite of Human Resource policies to S&R Committee by Sept 2019. (Shona Mason; S&R) (Target Achieved)</div><div>• Income Generation Plan<ul style="list-style-type: none">Deliver the agreed targets contained within year 2 of the (as agreed at S&R Committee on 17 April 2018)Review progress against year 1 of the plan and report to S&R Committee by February 2020. (Lee Duffy; S&R)</div><div>• Report to Strategy & Resources Committee an update on current and future commitments on the Residential Acquisition Fund by January 2020. (Rod Brown; S&R)</div><div>• Refurbish the toilet facilities at Bourne Hall by February 2020. (Mark Shephard; S&R) (Target Achieved)</div><div>• Upgrade the pay and display machines as agreed through the capital programme by October 2019. (Ian Dyer; E&SC) (Target Achieved)</div><div>• Complete the extension of Hope Lodge Car Park by July 2019. (Ian Dyer; E&SC) (Target Achieved)</div><div>• Develop the programme for the new Corporate Plan 2021 – 2025 by July 2019. (Gillian McTaggart; S&R) (Target Achieved)</div><div>• Review the options for digital democracy for consideration by Members by July 2019. (Amardip Healy; S&R) (Target Achieved)</div><div>• Launch the new Members’ Induction and training programme by May 2019. (Amardip Healy; S&R) (Target Achieved)</div><div>• Implement the Bring Your Own Device and mobile technology policy by December 2019. (Judith Doney; S&R) (Target Achieved)</div><div>• Implement the new Corporate Apprenticeship Scheme by July 2019. (Shona Mason; S&R) (Target Achieved)</div></div> <div>Statistics<div>• At least 99.0% of Business Rates to be collected. (Judith Doney; S&R) (End of Year 99.01%) (Target Achieved)</div><div>• At least 98.4% of Council Tax collected. (Judith Doney; S&R) (End of Year 99.10%) (Target Achieved)</div><div>• Process new Housing Benefit claims within an average time of 28 days. (Judith Doney; S&R) (March 13.25 days) (Target Achieved)</div><div>• Process Housing Benefit change of circumstances within an average time of 11 days. (Judith Doney; S&R) (March 2.81 days) (Target Achieved)</div></div>	<div><div>• Undertake a second consultation on next stage of Local Plan by September 2019. (Ruth Ormella; L&PP)</div><div>• Report to S&R on options on the future development of South Street premises for both residential and commercial units by July 2019 (Mark Shephard; S&R)</div><div>• Prepare and produce the Masterplan for Epsom and Ewell by August 2019. (Ruth Ormella; L&PP) (Target Achieved)</div><div>• Introduce a new business newsletter to improve communications with local businesses by June 2019. (Shona Mason; S&R) (Target Achieved)</div><div>• Support a Business Expo in September 2019. (Julia Owen; S&R) (Target Achieved)</div><div>• Hold three business breakfasts and a dinner by March 2020. (Julia Owen; S&R)</div><div>• Host a networking event for local businesses by March 2020. (Julia Owen; S&R) (Target Achieved)</div></div> <div>Statistics<div>• Number of major planning applications (MHCLG) received*(Viv Evans; L&PC) (End of Year: 32)</div><div>• Number of non-major planning applications (MHCLG) received* (Viv Evans ; L&PC) (End of Year:884)</div><div>• At least 60% of major planning applications decided in time. (Viv Evans; L&PPC) (End of Year 100%) (Target Achieved)</div><div>• At least 70% of non-major planning applications decided in time (Viv Evans; L&PPC) (End of Year 90.54%) (Target Achieved)</div><div>• No more than ten per cent of major planning applications allowed at appeal (using the two-year rolling assessment period defined by the government). (Viv Evans; L&PC) (Q4: 0.00%) (Target Achieved)</div><div>• The number of officer recommendations overturned by the Planning Committee* (Viv Evans; L&PC) (Q4: Majors 0, Non-majors 1)</div><div>• 93% of all food businesses rated as 3-5 within the food hygiene ratings by 31 March 2020. (Rod Brown; E&SC) (March 94.7%; End of Year 94.1%) (Target Achieved)</div></div> <div>(*Note: Reporting information only indicator)</div>

Key: Achieved; Achieved by year end, but not in accordance with agreed timeframe; Not Achieved; Information only indicator (* asterisk)

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Four Year Plan 2020 – 2024: Key Priority Targets 2020/21

 Green and Vibrant	 Safe and Well	 Opportunity and Prosperity	 Cultural and Creative	 Effective Council
<ul style="list-style-type: none"> Identify the potential for a shared service for Grounds Maintenance by 31 March 21. (Ian Dyer; E&SC) Implement and monitor COVID-19-Secure arrangements across venues, parks and service delivery by 31 March 21. (Ian Dyer; S&R) Tender documentation for a new Tree Contract by 31 March 21. (Viv Evans; E&SC) Report to the Environment & Safe Communities Committee on the Climate change Action Plan by 31 March 21. (Gillian McTaggart; E&SC) <p>Statistical Targets</p> <ul style="list-style-type: none"> Graffiti – remove 95% of graffiti on council owned land within 5 working days of being reported to Operational Services. (Ian Dyer; E&SC) Fly tipping – remove 95% of all fly tips on council owned land within 5 working days of being reported to Operational Services. (Ian Dyer; E&SC) Graffiti – remove offensive graffiti within two working days of being reported to Operational Services. (Ian Dyer; E&SC) Recycle 54% domestic waste by 31 March 2021. (Ian Dyer; E&SC) Over the year at least 99% of bins to be collected on average each week by 31 March 2021. (Ian Dyer; E&SC) 	<ul style="list-style-type: none"> Develop and report to S & R Committee a new Council Tax Support Discount to replace the current means tested Council Tax Support scheme by 30 November 20. (Judith Doney; S&R) Produce a projection of the borough's homelessness levels by 31 December 20. (Rod Brown; C&W) Develop a Homelessness Reduction Action Plan by 31 March 21. (Rod Brown; C&W) Work in partnership with GLL and agree actions to support the return of a COVID Secure venue by 30 September 20. (Rod Brown; C&W) Hold an Opening Event for the new cemetery extension in accordance with appropriate COVID Secure arrangements by 31 March 21. (Rod Brown; C&W) Develop the Council's continued response to the COVID-19 pandemic and prepare for the next stages, including any changes to Government directions by 31 March 21. (Gillian McTaggart; S&R) Develop Recovery plans for the Community and Wellbeing Centre, Harrier Centre and Pavilions by 31 December 20. (Ian Dyer; E&SC) <p>Statistical Targets</p> <ul style="list-style-type: none"> Less than 40 households living in emergency nightly paid temporary accommodation per month. (Rod Brown; C&W) At least 30 households supported through the rent deposit scheme by 31 March 2021. (Rod Brown; C&W) At least 5 additional households accommodated through the private sector leasing scheme by 31 March 2021. (Rod Brown; C&W) Process new Housing Benefit claims within an average time of 28 days. (Judith Doney; S&R) Process Housing Benefit change of circumstances within an average time of 11 days. (Judith Doney; S&R) 93% of all food businesses rated as 3-5 within the food hygiene ratings by 31 March 2021. (Rod Brown; E&SC) 	<ul style="list-style-type: none"> Local Plan (Viv Evans; L&PP): <ul style="list-style-type: none"> Complete the next stages in preparation for the Regulation 18 Consultation reporting to the LPP Committee by 31 December 20. Start preparation for the Regulation 19 stage by 31 March 21. Deliver the CIL Projects Scheme allocation by 30 September 20. (Gillian McTaggart; E&SC) Report options for the development of the Wells site to S& R Committee by 31 October 20. (Mark Shephard; S&R) Develop and deliver an Economic Recovery Action by 31 March 21. (Kathryn Beldon; S&R) <p>Statistical Targets</p> <ul style="list-style-type: none"> Number of major planning applications (MHCLG) received* (Viv Evans; Planning) Number of non-major planning applications (MHCLG) received* (Viv Evans ; Planning) At least 60% of major planning applications decided in time. (Viv Evans; Planning) At least 70% of non-major planning applications decided in time (Viv Evans; Planning) No more than ten per cent of major planning applications allowed at appeal (using the two-year rolling assessment period defined by the government). (Viv Evans; Planning) *The number of officer recommendations overturned by the Planning Committee (Viv Evans; Planning) 	<ul style="list-style-type: none"> Develop Recovery Plans for the Playhouse, Bourne Hall and Ewell Court House by 31 October 20. (Mark Shephard; C&W) <p>Smart and Connected</p>	<ul style="list-style-type: none"> ICT Road Map (Judith Doney; S&R): <ul style="list-style-type: none"> Implement Phase 1 of Abavus for Operational Services by 31 October 20 Implement Phase 2 of Abavus for Operational Services by 31 March 21 Improve the remote working experience for members and officers by introducing collaborative working tools by 31 March 21 Test the ICT Business Continuity Plan once the new datacentre is fully operational by 31 March 21 Financial Resilience (Lee Duffy; S&R) <ul style="list-style-type: none"> Report to S&R Committee on the financial implications to the 20/21 Budget arising from the impact of COVID-19 by 31 July 20. Update the MTFs and report to S&R Committee by 31 January 21. Revise and deliver the Capital Programme 2020/21 by 31 March 2021. (Lee Duffy; S&R) Support delivery of the Finance Peer Review by the LGA team reporting findings and an Action Plan to S&R Committee by 31 March 21. (Lee Duffy; S&R) Deliver the HR work plan for 2020/21 by 31 March 21. (Shona Mason; S&R) Develop a Communications Review Action Plan and implement short and medium term recommendations by 31 March 21. (S Mason; S&R) Complete a procurement options appraisal for the supply of agency staff by 31 December 20. (Shona Mason; S&R) Complete the 2020/21 stages of the Electoral Boundary Review by 31 March 21. (Amardip Healy; S&R) Operate virtual committee meetings subject to central and local COVID-19 arrangements by 31 March 21. (A Healy; S&R) Review and update section 5 of the Constitution and agree a planning protocol by 31 March 21. (A Healy; S&R) Develop options for a sustainable model of building control by 31 March 21. (Viv Evans; S&R) To support the MTFs, identify commercial property suitable for purchase in line with agreed criteria by 31 March 21. (Mark Shephard; S&R) <p>Statistical Targets</p> <ul style="list-style-type: none"> At least 99.0% of Business Rates to be collected. (Judith Doney; S&R) At least 98.4% of Council Tax collected. (Judith Doney; S&R)

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ANNUAL REPORT 2019/20

Head of Service:	Gillian McTaggart, Head of Policy, Performance & Governance
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1 – Annual Report 2019/20 Appendix 2 – Draft Work Programme 2020/21

Summary

This report presents the Annual Report of the Audit, Crime & Disorder and Scrutiny Committee for 2019/20 and draft work programme 2020/21.

Recommendation (s)

The Committee is asked to:

- (1) approve the Annual Report 2019/20 attached at Appendix 1 and to present the Annual Report to the next meeting of Council;**
- (2) agree the draft work programme 2020/21 attached at Appendix 2.**

1 Reason for Recommendation

- 1.1 Article 6 within Part 2 of the Constitution requires the Audit, Crime & Disorder and Scrutiny Committee to report annually to the Council on its workings and make recommendations for future work programmes and amended working methods if appropriate.

2 Background

- 2.1 The Audit, Crime & Disorder and Scrutiny Committee was due to consider its Annual Report 2019/20 in April 2020, with presentation to Council at its following meeting. Due to the COVID-19 emergency and lockdown which was put in place in March 2020, consideration by the Committee of its Annual Report and new work programme has been delayed.

- 2.2 Attached at Appendix 1 is the draft Annual Report 2019/20 which looks back across the year and which notes the impact of COVID-19 on the work of the committee. The last meeting of the Audit, Crime & Disorder and Scrutiny Committee scheduled for 2019/20 (9 April 2020) was cancelled due to the on-going COVID-19 pandemic.
- 2.3 Attached at Appendix 2 is a draft work programme for 2020/21. This work programme reflects that the June 2020 Committee meeting was not held, and that a Special meeting of the Committee was held on 17 September 2020 to consider the Annual Governance Statement 2019/20. At this meeting the Committee also considered the Annual Internal Audit Report & Opinion 2019/20.
- 2.4 The draft work programme for 2020/21 has been reorganised to ensure that the Committee is able to meet all of its legal and other responsibilities. A new report on the Council's response to the COVID-19 emergency and lessons learnt has been included in the work programme for February 2021.
- 2.5 The work programme does remain flexible across the year to enable the Committee to respond to new priorities as they arise.

3 Risk Assessment

Legal or other duties

3.1 Impact Assessment

3.1.1 None for the purposes of this report.

3.2 Crime & Disorder

3.2.1 Scrutiny of the Community Safety Partnership is a responsibility of this Committee.

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 for the purpose of this report.

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

5 Legal Implications

- 5.1 There are no legal implications for the purpose of this report.
- 5.2 **Monitoring 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:
- 6.1.1 Effective Council – Engaging, responsive and resilient Council
- 6.1.2 Safe & Well – A place where people feel safe, secure and lead healthy, fulfilling lives
- 6.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** no relevance for the purposes of this report.
- 6.4 **Sustainability Policy & Community Safety Implications:** no relevance for the purposes of this report.
- 6.5 **Partnerships:** Not applicable.

7 Background papers

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

Previous reports:

- Agenda and Minutes of the Audit, Crime & Disorder and Scrutiny Committee 16 April 2019
- Agenda and Minutes of the Audit, Crime & Disorder and Scrutiny Committee 25 June 2019
- Agenda and Minutes of the Audit, Crime & Disorder and Scrutiny Committee 21 November 2019
- Agenda and Draft Minutes of the Audit, Crime & Disorder and Scrutiny Committee 6 February 2020

Other papers:

- None.

Annual Report of the Audit, Crime & Disorder and Scrutiny Committee 2019/20

1. Introduction

- 1.1 This Annual Report provides Council with an overview of the work of the Audit, Crime & Disorder and Scrutiny Committee undertaken during 2019/20.
- 1.2 Over the course of the year, the work of the Committee was undertaken by its ten members. Attendance at the three formal meetings of the committee held across the year is set out in the table below.

Member	Actual Attendance at Meetings	Nominated Substitute
Councillor Steve Bridger (Chairman)	3	
Councillor Alex Coley (Vice Chairman)	3	
Councillor Nigel Collin	3	
Councillor Liz Frost	3	
Councillor Rob Geleit	3	
Councillor David Gulland	2	1
Councillor Steven McCormick	2	1
Councillor Phil Neale	2	
Councillor Humphrey Reynolds	2	1
Councillor Alan Sursham	3	

- 1.3 In June 2019 the Committee considered and agreed its work programme for 2019/20. The work programme was designed to ensure that the Committee met its statutory and local responsibilities and provided the Council with added value and assurance.
- 1.4 The April 2020 meeting of the Committee was cancelled due to the COVID-19 emergency and lock down. This has meant that those items included in the work programme for April 2020 have been delayed, but they have since been rescheduled into the Committee's work programme 2020/21.

Effectively Holding Decision Makers to Account

- 1.5 To support effective, transparent and accountable decision making at the Council, the Committee has the power to review policy committee decisions made but not yet implemented through the call-in procedure and to receive an annual report on the use of delegated powers. Although the Committee did not receive any requests to use its call-in power during 2019/20, the Committee considered a report on the use of delegated powers which were

recorded using the delegated authority process from 24 May 2018 to 21 May 2019. The Committee did not raise any concerns regarding these decisions.

- 1.6 The Committee reviewed the work of the local Community Safety Partnership (CSP) undertaken in 2018/19. The Committee was informed that the Borough was covered by the East Surrey CSP, which also comprised Reigate and Banstead Borough Council and Mole Valley and Tandridge District Councils. Meetings were held quarterly with statutory and non-statutory partners invited. For the year 2018-19 the partnership was chaired by the Chief Executive of Tandridge District Council. The local Borough Inspector (Surrey Police being a key statutory partner) attended the June 2019 Committee meeting. He updated the Committee on work undertaken by Surrey Police within the borough across the year.
- 1.7 The Committee monitored progress made against the Council's Key Priority Targets 2019/20 and raised any concerns it had with officers. The Committee examined in particular those targets assigned amber or red status, that is, those identified as slightly off target - not a major concern or significant slippage, and those identified as off target and a major concern and/or significant slippage.

Contributing to more Effective Policies and Improving the Quality of Life for Local People

- 1.8 The Committee received an annual report on matters relating to the Regulation of Investigatory Powers Act 2000 (RIPA). The Act and the Codes of Practice issued under section 71 regulate the way in which the Council conducts surveillance for the purposes of law enforcement. The Committee was informed of use by the Council of its RIPA powers during 2018/19 and provided with the Council's latest version of its Policy & Guidance on Lawful Surveillance for approval.
- 1.9 The Office of the Surveillance Commissioner inspected the Council's RIPA procedures and activity in 2017. A set of recommendations were made and subsequently incorporated into an amended lawful surveillance policy agreed by the Strategy & Resources Committee in April 2018. In 2019, no changes to the policy were felt necessary following a review of the law and good practice. The Audit, Crime & Disorder and Scrutiny Committee approved the Council's Policy & Guidance on Lawful Surveillance for 2019/20. It noted that no applications had been made by the Council under RIPA during 2018/19.

Improving Services and Adding Value

- 1.10 At the beginning of the year the Committee received the Annual Internal Audit Report 2018/19 from internal auditors RSM. This report included the Head of Internal Audit's opinion. No reports were issued with a 'no assurance' level during 2018/19, but two reports, Health & Safety and Project Management – Ebbisham Exit, were issued with partial assurance. A follow up of actions agreed to address internal audit findings of 2017/18 showed that the Council had made good progress in implementing the agreed actions. The Head of

Internal Audit's overall opinion recorded that the Council had an adequate and effective framework for risk management, governance and internal control. To ensure it remained adequate and effective, enhancements to the framework were identified.

- 1.11 At the same meeting the Committee confirmed the adequacy of the arrangements made for preparing the Council's Annual Governance Statement. The Committee considered and endorsed the 2018/19 Annual Governance Statement prior to it being certified by the Chief Executive and Chairman of Strategy & Resources Committee.
- 1.12 The Audit, Crime & Disorder and Scrutiny Committee received two internal audit progress reports from the new internal auditors, Southern Internal Audit Partnership (SIAP), appointed from 1 April 2019 for four years. These reports updated the Committee on work against the Internal Audit Plan 2019/20. SIAP attended these Committee meetings to present their findings and answer members' questions. Progress on the implementation of outstanding high and medium internal audit recommendations made by RSM prior to 1 April 2019 was reported to the Committee midway through the year.
- 1.13 Finally, the Committee received a report which enabled it to meet its responsibilities for monitoring the development of the Council's risk arrangements. The Committee confirmed that it was satisfied with the arrangements in place for risk management and following review of the Leadership Risk Register, the Committee did not identify any risks which it wished to raise with the Leadership Team.

Conclusion

- 1.14 The Audit, Crime & Disorder and Scrutiny Committee wishes to record its thanks to all those who contributed to the work of the Committee over the year.

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**Draft Audit, Crime & Disorder and Scrutiny Committee
Work Programme 2020/21**

MEETING	ITEMS FOR CONSIDERATION BY FULL COMMITTEE
<i>17 September 2020</i>	<ul style="list-style-type: none"> • <i>Annual Governance Statement 2019/20 and Annual Internal Audit Report & Opinion 2019/20</i>
19 November 2020	<ul style="list-style-type: none"> • Internal Audit Plan 2020/21 and Internal Audit Charter 2020/21 • Internal Audit Progress Report • Annual Report on the Regulation of Investigatory Powers Act 2000 • Risk Management Framework Annual Report • Corporate Plan: Year End Performance Report 2019 to 2020 and Target Overview 2020 to 2021 • Annual Report 2019/20 and Draft Work Programme 2020/21
February 2021	<ul style="list-style-type: none"> • Lessons Learnt from the COVID-19 Emergency • Community Safety Partnership 2019/20 – End of Year Report • Internal Audit Progress Report • Annual Governance Statement and District Auditor's Audit Findings, Progress Against Action Plans • Four Year Plan 2020 to 2021 Performance Report • Finance Scrutiny • Use of Delegated Powers Annual Report • Work Programme 2020/21
April 2021	<ul style="list-style-type: none"> • Update on Compliance with the Surveillance Camera Code of Practice • Internal Audit Progress Report • Internal Audit Plan 2021/22 and Internal Audit Charter 2021/22 • Annual Report 2020/21 (To be presented to Full Council) and Draft Work Programme 2021/22

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