

Minutes of the Meeting of the AUDIT AND SCRUTINY COMMITTEE held at the Council Chamber, Epsom Town Hall on 14 June 2022

PRESENT -

Councillor Steve Bridger (Chair); Councillor Nigel Collin (Vice-Chair); Councillors Rob Geleit, David Gulland, Steven McCormick (as nominated substitute for Councillor David Reeve), Phil Neale, Alan Sursham and Chris Webb

In Attendance: Councillor Christine Howells (connected remotely); Neil Pitman (Head of Southern Internal Audit Partnership) (Southern Internal Audit Partnership (Internal Auditor)) (Items 8-9 only) (connected remotely) and Natalie Jerams (Assistant Head of Partnership) (Southern Internal Audit Partnership (Internal Auditor)) (Items 8-9 only) (connected remotely)

Absent: Councillor Previn Jagutpal and Councillor David Reeve

Officers present: Gillian McTaggart (Head of Corporate Assurance), Will Mace (Business Assurance Manager) and Tim Richardson (Democratic Services Manager)

1 QUESTION TIME

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

2 DECLARATIONS OF INTEREST

No declarations of interest were made in relation to items of business to be discussed at the meeting.

3 MINUTES OF THE PREVIOUS MEETING

The Minutes of the previous meeting of the Audit and Scrutiny Committee held on 7 April 2022 were agreed as a true record and signed by the Chair.

4 ANNUAL REPORT ON THE USE OF DELEGATED POWERS

The Committee received a report setting out significant decisions taken by Officers in consultation with Committee Chairs for the period 29 May 2021 to 27 May 2022, in accordance with the Council's Scheme of Delegation to Officers.

The following matter was considered:

- a) **Definition of significant decisions.** A Member of the Committee suggested that the term “significant decision” (as referred to in paragraph 2.4 of the report) should be defined within the Constitution. The Head of Corporate Assurance informed the Committee that the scheme of Delegation to Officers was currently under review and that this suggestion would be passed to the Council’s Monitoring Officer for consideration.

Following consideration, the Committee resolved:

- (1) To note the significant decisions taken by Officers in consultation with relevant Chairman/Chair recorded using the delegated authority process from 29 May 2021 to 27 May 2022.**

5 ANNUAL GOVERNANCE STATEMENT 2021-2022

The Committee received a report seeking approval of the draft Annual Governance Statement 2021-2022.

The following matters were considered:

- a) **Chief Internal Auditor’s Annual Opinion.** Following a question from a Member, the Head of Corporate Assurance informed the Committee that the Chief Internal Auditor’s Annual Opinion was referenced within the report and was included as a later item on the agenda.
- b) **Demonstration of compliance with principles.** A Member of the Committee expressed the view that the documents listed on page 28 of the agenda pack set out the behavioural framework followed by the Council rather than providing evidence of how compliance with the principle had been achieved. It was noted that Officers would consider this matter for future reports.
- c) **Action dates for issues.** The Committee noted that recommendations from the Annual Governance Statement were included on an action tracker maintained by Officers. The Committee was informed that the ICT Strategy would be presented to the Strategy and Resources Committee in September 2022.
- d) **Attachment to Financial Statements.** The Committee noted that the Council’s External Auditor would review the Annual Governance Statement during their consideration of the Council’s annual financial statements.

Following consideration, the Committee resolved with 7 votes for and 1 vote against, to:

- (1) Approve the 2021-2022 draft Annual Governance Statement as set out at Appendix 1 to the report, prior to it being signed by the Chief Executive and the Chair of the Strategy & Resources Committee.**

- (2) **Give delegated authority to the Chief Finance Officer to make any required amendments to the Annual Governance Statement prior to its submission with the Statement of Accounts.**

6 FOUR YEAR PLAN: YEAR END PERFORMANCE REPORT 2021-2022

The Committee received a report presenting the end of year position for the objectives and key performance indicators (KPI's) from the Annual Plan 2021-2022.

The following matters were considered:

- a) **Status of AP7, Identify tree planting areas and a policy and procedure for tree planting.** A Member enquired why this target was Amber status. The Business Assurance Manager informed the Committee that whilst much of this work had been completed, additional actions had been identified in relation to the tree Planting Strategy which were yet to be completed.
- b) **Validation of data.** In response to a query from a Member, the Committee was informed that Performance data was validated by Head of Service Officers.
- c) **Status of AP14, Develop and adopt a Planning Enforcement Plan.** A Member of the Committee queried whether a Planning Enforcement Plan had been adopted by the Council. In response, the Business Assurance Manager informed the Committee that he would confirm the status of the action with the relevant Head of Service and provide an update to the Committee following the meeting.

Following consideration, the Committee resolved with 5 votes for and 3 abstentions to:

- (1) **Note the achievement of the individual key objectives and KPI's for 2021-2022 as set out in Appendix 1.**
- (2) **Consider the update on those targets not achieved as set out at Appendix 2.**

7 WORK PROGRAMME 2022-2023

The Committee received a report presenting its work programme for 2022-2023.

The following matter was considered:

- a) **ICT Strategy.** The Committee noted that a report on the ICT Strategy would be presented to the September 2022 meeting of the Strategy and Resources Committee. An update on the Strategy would be presented to the Audit & Scrutiny Committee in November 2022 following consideration by the Strategy and Resources Committee.

Following consideration, the Committee unanimously resolved to:

- (1) **Note and agree the on-going work programme for 2022-2023 as presented in Section 2 of the report.**

8 INTERNAL AUDIT PROGRESS REPORT 2021-2022

The Committee received a report summarising progress against the Internal Audit Plan 2021-2022.

The following matters were considered:

- a) **Actions to address limited assurance reports.** Following a question from a Member, the Internal Auditor informed the Committee that Officers were required to produce an action plan to address observations from internal audit reports. The Internal Auditor was content that the action plans produced by officers in response to the limited assurance reports were sufficient to address the matters identified and mitigate the future risk. The Internal Auditor assessed the target date and priority that had been given to actions and would follow them to completion.
- b) **Assurance opinion on audit reports.** Following a question from a Member, the Internal Auditor provided the Committee with a verbal summary of the nature of the assurance opinion issued on reports. It was noted that the assurance opinion related to the control framework in place and the appliance of those controls. The assurance opinion did not relate to the priority of the Audit or revisions to its due date.
- c) **Future work plan for Internal Auditor.** The Internal Auditor informed the Committee that she would discuss the future work plan with the Head of Corporate Assurance following the recent resignation of the Council's Chief Executive. This would include whether any additional reports relating to corporate governance were required.

Following consideration, the Committee unanimously resolved to:

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

9 ANNUAL INTERNAL AUDIT REPORT & OPINION 2021-2022

The Committee received a report presenting the Annual Internal Audit Report and Opinion 2021-2022.

The following matters were considered:

- a) **Comparison with other local authorities.** The Internal Auditor informed the Committee that it was difficult to compare the Council's Annual Internal Audit Report and Opinion with those of other local authorities, due to the specific nature of the work undertaken. It was also difficult to

compare the report with that of the council for previous years due to the same reason.

- b) **Risk Management.** Following a question from a Member, the Internal Auditor informed the Committee of the grounds by which the Council's Risk Management had been provided with a limited assurance rating. In response to a further question from the Member, the Internal Auditor undertook to confirm the testing arrangements in place with regard to service risks, and to inform the Councillor of these following the meeting.

Following consideration, the Committee agreed with 7 votes in favour and 1 abstention to:

- (1) Receive the Annual Internal Audit Report and Opinion 2021-2022 attached at Appendix 1 of the report.**

The meeting began at 7.30 pm and ended at 9.01 pm

COUNCILLOR STEVE BRIDGER (CHAIR)