

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

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**PRESENT -**

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

Absent: Councillor Jan Mason and Councillor Alex Coley

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

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**48 POINT OF ORDER**

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

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

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

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

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

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

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

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

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

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

#### 49 QUESTIONS AND STATEMENTS FROM THE PUBLIC

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

#### 50 DECLARATIONS OF INTEREST

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

#### 51 MINUTES OF THE PREVIOUS MEETING

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

“Minute 46,

f) **Rubberstamp Committee.** A Member of the Committee thanked the External Auditors for their report. The Member continued to ask if the Committee are being asked to rubberstamp the response provided by the Strategic Leadership Team. The Member expressed their disappointment that the management response does not acknowledge the issue raised by the external auditors. The Chair confirmed that the Committee are being asked to agree the management actions as set out in recommendation 3 and 6. The Director of Corporate Services (S151) explained that the characterisation of the response of the Strategic Leadership Team, is not accurate. The Director of Corporate Services

(S151) expressed that the Strategic Leadership Team acknowledge the recommendation **of the external auditors to the Council** and take it on board and fully understand the need for transparency and appreciate there is more work to be done to provide that as much as possible. The Member pointed out that the management response does not provide any actions to be taken to provide further transparency, despite the fact other management responses do set out actions to be taken to achieve the recommendations of the External Auditors. The Member stated they would be unable to support the management action as written. The Member asked the representative from the Council's External Auditor if they have made evidenced recommendations before and had them dismissed by the Council's senior leadership. The representative from the Council's External Auditor confirmed that key recommendations on significant weaknesses are somewhat common and acknowledged that a review of the management's response will take place over the course of the next audit cycle and that will form an assessment which will be put in front of the Committee to discuss. The External Auditor confirmed that they would take that issue forward into their work for the 24/25 audit and will be able to share if sufficient work has happened to address the issue raised. The Chair informed the Committee that they could vote against the recommendations on the management actions, if they see fit."

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

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

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

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

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

## 52 COMPLAINTS REPORT APRIL 2024 - DECEMBER 2024

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

The following matters were considered:

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

Following consideration, the Committee unanimously resolved to:

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

## 53 FSAG ANNUAL TREASURY MANAGEMENT REPORT

The Committee received a report providing an update on the work undertaken by Financial Strategy Advisory Group with respect to the Council's Treasury Management activity over the past 12 months.

Following consideration, the Committee unanimously resolved to:

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

## 54 REGULATION OF INVESTIGATORY POWERS ACT (2000) ANNUAL REPORT

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

The following matters were considered:

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

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

Following consideration, the Committee unanimously resolved to:

- (1) Note the annual report of the Council's use of its RIPA powers in 2024; and**
- (2) Ask the Assistant Director of Corporate Services to bring this report to the attention of the Chair of the Community Safety Partnership and the Chair of the Crime and Disorder Committee for information.**

## **55 AUDIT & SCRUTINY COMMITTEE ANNUAL REPORT 2024-2025**

The Committee received a report presenting the Annual Report of the Audit and Scrutiny Committee 2024-2025 in accordance with the requirement of Paragraph 7.2 of Annex 4.6 of the Council's Operating Framework. It covered the work of the Committee between March 2024 and February 2025, and following agreement by the Committee, will be submitted to the next available agenda for Full Council.

The following matters were considered:

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

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

The proposal was seconded by Councillor Ames.

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

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

'During the year, the Committee has considered the aims, process, and resource implications for potential scrutiny exercises, in light of the potential value added and resource implications for their Work Programme.'

The proposal was seconded by Councillor Lawrence.

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

Following consideration, the Committee unanimously resolved to:

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

## **56 PERFORMANCE AND RISK REPORT – MARCH 2025**

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

The following matters were considered:

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

Following consideration, the Committee unanimously resolved to:

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

## **57 WORK PROGRAMME - MARCH 2025**

The Committee received a report presenting the annual Work Programme.

The following matters were considered:

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

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

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

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

- e) **Committee Reports.** A Member of the Committee expressed their discontent with previous reports that had been added to the work programme being presented later than originally planned and scheduled and stated that there is no point in the Committee existing if the only reason a discussion can take place, is if an Officer can write a report in time. The Chair noted the comments and agreed to work with Officers to try and make the process as open and transparent as possible.
- Councillor Lawrence proposed an amendment to the work programme, in the addition of a new agenda item to the July 2025 Committee Meeting, and to also request the attendance of the Chief Executive to speak to the new agenda item;

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

The proposal was seconded by Councillor Williamson.

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

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

- f) **Invited to share questions.** The Director of Corporate Services invited Committee Members to provide specific questions as soon as possible, to ensure the report that will be brought to the July Committee answers the questions that Members have. These comments were echoed by the Deputy Monitoring Officer and the Chair.
- The Chair proposed that he would meet with Councillor Lawrence, and Officers to discuss and flesh out the purpose and scope of the report and then share the result with the Committee to get their comments and thoughts, and then formally submit the report request.

The proposal was seconded by Councillor Williamson.

The Committee unanimously agreed the proposal.

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

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



**58 INTERNAL AUDIT PLAN 2025/26 AND INTERNAL AUDIT CHARTER**

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

The following matters were considered:

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

Following consideration, the Committee unanimously resolved to:

- (1) Approve the Internal Audit Charter 2025/26 as set out in Appendix 1.**
- (2) To provide input to and approve the Internal Audit Plan 2025/26 (Q1/2) as set out in Appendix 2.**

**59 POINT OF ORDER**

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

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

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

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

## 60 INTERNAL AUDIT PROGRESS REPORT

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

The following matters were considered:

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

Following consideration, the Committee unanimously resolved to:

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

## 61 PERSONAL STATEMENT

Councillor Ames made a personal statement to the Committee.

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

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

The Chair noted the comments.

*The meeting began at 7.30 pm and ended at 9.08 pm*

COUNCILLOR STEVEN MCCORMICK (CHAIR)