

# Annual Report of the Audit and Scrutiny Committee 2024-2025

## 1. Introduction

- 1.1. This Annual Report provides the Council with an overview of the work of the Audit and Scrutiny Committee undertaken between March 2024 and February 2025. This meeting (27 March 2025) will be included in the next year's Annual Report 2025-2026.
- 1.2. The Committee met five times on 28 March 2024, 25 July 2024, 26 September 2024, 14 November 2024 and 6 February 2025. The membership has changed after the March 2024 meeting and the members' attendance are shown below.

<b>Membership</b>	<b>28 March 2024 Meeting - Actual Attendance</b>	
Councillor Steve Bridger (Chair)	1	
Councillor Robert Leach (Vice Chair)	1	
Councillor Chris Ames	1	
Councillor Rachel King	0	Councillor Christine Howells
Councillor James Lawrence	1	
Councillor Jan Mason	1	
Councillor Phil Neale	1	
Councillor Chris Watson	1	
<b>Membership</b>	<b>4 meetings (25 July, 26 Sept, 14 Nov 2024 and 6 Feb 2025)</b>	
	<b>- Actual Attendance</b>	<b>- Represented by</b>
Councillor Steven McCormick (Chair)	4	N/a
Councillor Phil Neale (Vice Chair)	4	N/a
Councillor Chris Ames	3	Councillor Rob Geleit on 26 Sept 2024
Councillor Alex Coley	4	N/a
Councillor Graham Jones	3	Councillor Kim Spickett on 25 July 2024
Councillor James Lawrence	3	Councillor Alison Kelly on 25 July 2024
Councillor Jan Mason	3	No representative on 14 Nov 2024
Councillor Alan Williamson	4	N/a

\*This meeting (27 March 2025) has not been held yet at the time of writing this report and hence its attendance has not been recorded in the above table.

- 1.3. The Committee reviews its Work Programme at each of its meetings. The Work Programme is designed to ensure that the Committee meets its statutory and local responsibilities, and provides the Council with added value and assurance.

## 2. Monitoring and Improving the Council's Governance

- 2.1. The Committee's Work Programme has focused on maintaining an oversight of the Council's framework of governance, performance, risk management, and internal control environment.
- 2.2. Governance can be defined as "comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved."<sup>1</sup> Governance includes processes, procedures, policies, administrative systems, legal arrangements and so forth, "through which [an organisation's] objectives are set and pursued in" their environmental context, while "ensuring that stakeholders can have confidence that their trust in that [organisation] is well founded."<sup>2</sup>
- 2.3. To ensure good governance, the Committee has considered seven reports from the Council's independent internal audit function between March 2024 and February 2025. Six of these reports cover audit planning for the year, internal audit's findings with respect to individual business units' governance arrangements, and an overall opinion on status of the Council's governance.
- 2.4. The last report provides an overview of the new Global Internal Audit Standards, to which public sector internal audit functions will have to comply from 1 April 2025. The Council's Internal Auditors, the Southern Internal Audit Partnership (SIAP), are guiding the Committee and officers through the standards and the updated CIPFA code to ensure the Council will fully comply.
- 2.5. The Head of SIAP provided their annual opinion to Committee on 25 July 2024, concluding that for the year 2023-2024, the overall adequacy and effectiveness of the Council's framework of governance, risk management and control was "reasonable". The outcomes of 12 audits included in the annual opinion are as follows:<sup>3</sup>

Number and (percentage) of completed audits	Assurance Opinion - category
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<sup>1</sup> CIPFA (2014) *International Framework: Good Governance in the Public Sector*. London: Chartered Institute of Public Finance and Accountancy, p. 8.

<sup>2</sup> The Chartered Governance Institute UK & Ireland (no date) *What is corporate governance?* Online available: <https://www.cgi.org.uk/about-us/policy/what-is-corporate-governance> [Last accessed 10/03/22].

<sup>3</sup> See SIAP (2023) *Annual Internal Audit Report & Opinion 2023-24*, Southern Internal Audit Partnership. Online available: [Epsom and Ewell Democracy](#) [Last accessed 11/02/2025].

2 (17%)	<b>Substantial</b> – 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.
6 (50%)	<b>Reasonable</b> – 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.
3 (25%)	<b>Limited</b> – Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
1 (8%)	<b>No Assurance</b> – Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

2.6. 67% of the audits received a “reasonable” or “substantial” opinion. Where weaknesses and risks have been identified through internal audit review, SIAP have worked with management to “agree appropriate corrective actions and a timescale for improvement.”<sup>4</sup> The “No Assurance” report concerned planning enforcement: all management actions which were set to address the observations raised in the report have been completed, and a follow-up audit is being undertaken during Quarter 4 2024-2025. Progress on all audit improvement actions are reported within each Internal Audit progress report brought to the Committee.

2.7. The internal audit annual opinion also underpins the Council’s Annual Governance Statement (AGS). The [2023-2024 AGS](#) was approved by the Committee on 25 July 2024. The statement presented the Council’s opinion on its governance arrangements and their effectiveness, as well as reporting on how governance improvements identified in the previous statement had been addressed, and the actions which will be pursued in the following year. The AGS is also reviewed by external audit and included alongside their annual audit of the Council’s finances. Progress on the AGS action plan is captured in the Corporate Performance and Risk reports brought to the Committee.

2.8. In addition to the above, the Committee considered:

2.8.1. The annual report on the Council’s counter-fraud and whistleblowing arrangements.

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<sup>4</sup> Ibid, footnote 3.

- 2.8.2. The annual review of local [Code of Corporate Governance](#) for the Council.
- 2.8.3. The annual report on the Council's activities relating to surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA) for 2023, and the outcome report of the Investigatory Powers Commissioner's Office (IPCO) inspection in 2024 regarding the Council's compliance with the RIPA and the Investigatory Powers Act 2016.
- 2.9. The Head of Finance presented forecasts for the revenue and capital outturn for the financial year. The Committee received Quarter 1 in September 2024. Quarter 2 reports were reviewed in November, and Quarter 3 in February.
- 2.10. Revenue monitoring identifies favourable and unfavourable variances and any mitigating actions. Capital monitoring reports focus on the core capital programme, property acquisition fund, S106 developers' contributions and Community Infrastructure Levy.
- 2.11. The Committee has also received regular external audit updates throughout the financial year.
- 2.12. As agreed at Full Council in July 2023, Financial Strategy Advisory Group (FSAG) has conducted treasury management monitoring on behalf of Audit and Scrutiny Committee throughout the year. Treasury management monitoring reports and minutes are available for members to view within the FSAG's [committee papers](#). An annual FSAG treasury management report is being brought to the March 2025 meeting of this committee.

### **3. Scrutiny**

- 3.1. Epsom & Ewell Borough Council operates a committee system form of governance. Therefore the Council is not required by law to have an overview and scrutiny committee, which was introduced under the Local Government Act 2000 as "a counterweight to the ... executive structures created by that Act".<sup>5</sup> The [Localism Act 2011](#) (s. 9JA) enables a committee system authority to choose to have a scrutiny overview and committee if it wishes to. The Council resolved that the Audit & Scrutiny Committee perform this function.
- 3.2. Scrutiny is a process that centres around "provid[ing] constructive 'critical friend' challenge",<sup>6</sup> and it can involve "monitoring performance [and best value],

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

<sup>6</sup> Ministry of Housing, Communities & Local Government (2024) *Overview and scrutiny: statutory guidance for councils, combined authorities and combined county authorities*, para. 4. Online available: [Overview and scrutiny:](#)

reviewing and evaluating services, questioning decision[s] and plans made by the [Council], listening to the concerns of local people, and where appropriate making recommendations for action and change.”<sup>7</sup> Central to the legislation is the power scrutiny has to “scrutinise decisions the [Council] is planning to take, those it plans to implement, and those that have already been taken/implemented.”<sup>8</sup>.

- 3.3. In the year 2024-2025 the Committee has maintained its “watching brief” and horizon scanning of potential scrutiny activity by reviewing:
- 3.3.1. Four corporate performance and risk reports, which updated the Committee on the Council’s progress against its strategic objectives for 2024-2025, key performance indicators, the Corporate Risk Register, the policy committees’ risk registers, and the Annual Governance Statement action plan.
  - 3.3.2. The annual report on the Council’s progress against its Diversity, Equity and Inclusion Framework.
  - 3.3.3. The annual complaints report detailing Stage 1 and Stage 2 complaints received by the Council from 1 April 2023 to 31 December 2023. The Committee also receives reports on complaint decisions from the Local Government and Social Care Ombudsman (LGSCO) and the Information Commissioner’s Office (ICO), where the Council was found at fault. The annual report from the LGSCO was reviewed by the Committee at its [September 2024](#) meeting.
  - 3.3.4. The report on the Council’s first ‘Productivity Plan’, publication of which was a new requirement introduced by Government as part of their review of productivity across all public services and Local Government.
  - 3.3.5. The annual report on the work undertaken by the Epsom and Ewell Community Safety Partnership.
  - 3.3.6. A report in July 2024 on the Use of Delegated Powers. This report sets out the significant decisions taken by officers under delegated powers between 31 May 2023 and 3 June 2024.

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[statutory guidance for councils, combined authorities and combined county authorities - GOV.UK](#) [last accessed 11/02/2024].

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

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

- 3.3.7. During the year, the Committee has considered the aims, process, and resource implications for potential scrutiny exercises, in light of the potential value added and resource implications for their Work Programme. In this period the Committee did not undertake any standalone scrutiny exercises, and no policy committee decisions were 'called-in' for the Committee to review.

#### **4. Conclusion**

- 4.1. 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.