

Annual Report of the Audit and Scrutiny Committee 2025-2026

1. Introduction

- 1.1. This Annual Report provides Council with an overview of the work of the Audit and Scrutiny Committee undertaken between March 2025 and February 2026. This meeting (19 March 2026) will be included in the next year's Annual Report 2026-2027.
- 1.2. The Committee met five times on 27 March 2025, 17 July 2025, 30 September 2025, 30 November 2025 and 5 February 2026. The membership has changed after the March 2025 meeting and the members' attendance are shown below.

Membership	27 March 2025 Meeting - Actual Attendance	
Councillor Steven McCormick (Chair)	1	
Councillor Phil Neale (Vice Chair)	1	
Councillor Chris Ames	1	
Councillor Graham Jones	1	
Councillor James Lawrence	1	
Councillor Jan Mason	1	
Councillor Alan Williamson	1	
Councillor Robert Leach	1	Present as substitute
Membership	4 meetings (17 July, 30 Sept, 30 Nov 2025 and 5 Feb 2026)	
	- Actual Attendance	- Substituted by
Councillor Steven McCormick (Chair)	4	
Councillor Phil Neale (Vice Chair)	4	
Councillor Chris Ames	3	
Councillor Steve Bridger	4	
Councillor Tony Froud	3	Cllr Christine Howells (30/11/2025)
Councillor Alison Kelly	3	Cllr James Lawrence (30/11/2025)
Councillor Jan Mason	1	
Councillor Chris Watson	4	
Councillor James Lawrence	Cllr in Attendance (17/7/2025, 30/9/2025, 5/2/2026)	

*This meeting (26 March 2026) 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 and agrees its Work Programme at each of its meetings. The Work Programme is designed to ensure that the Committee meets its responsibilities in accordance with its terms of reference, 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."¹ 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."²

2.3. To ensure good governance, the Committee has considered eleven reports from the Council's Internal Auditors, the Southern Internal Audit Partnership (SIAP) between March 2025 and February 2026. Nine of these reports cover audit planning for 2025-2026, 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 remaining two reports relate to the requirements of the Global Internal Audit Standards in the UK Public Sector, which have been in force since 1 April 2025. SIAP developed an internal audit strategy for 2025-2028 and it also provided an overview of the commissioning options of an external assessor to undertake an independent assessment of SIAP against the Global Internal Audit Standards.

2.5. The Head of SIAP provided their annual opinion to Committee on 17 July 2025, concluding that for the year 2024-2025, the overall adequacy and effectiveness of the Council's framework of governance, risk management and control was "reasonable". The outcomes of 13 audits included in the annual opinion are as follows:³

¹ CIPFA (2014) *International Framework: Good Governance in the Public Sector*. London: Chartered Institute of Public Finance and Accountancy, p. 8.

² 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 13/02/2026].

³ See SIAP (2025) *Annual Internal Audit Conclusion 2024-25*, Southern Internal Audit Partnership. Online available: [Epsom and Ewell Democracy](#) [Last accessed 13/02/2026].

Number and (percentage) of completed audits	Assurance Opinion - category
1 (8%)	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.
7 (54%)	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.
4 (30%)	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.
1 (8%)	No Assurance – 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. 62% of the audits received a “reasonable” or “substantial” opinion. Where weaknesses and risks have been identified through internal audit review, SIAP “agreed appropriate corrective actions and a timescale for improvement with the responsible managers.”⁴ The “No Assurance” report concerned environmental health food hygiene: the management actions which were set to address the observations raised in the report have been mostly completed except one which is about the recruitment of an additional qualified Environmental Health Officer or food safety officer. No suitably qualified candidates have applied for the vacancy which is associated with national shortage of Environmental Health Practitioners and the Local Government Reorganisation headwinds. The position has been covered by agency staff.
- 2.7. As part of the Internal Audit Code of Practice for UK local government, the Audit and Scrutiny Committee must satisfy itself on the effectiveness of internal audit. They should take into account conformance with the standards, interactions with the committee, performance and feedback from senior management. Their conclusions should be reported in the Committee’s annual report. Therefore, Committee Members are asked to consider this requirement when reviewing this section of the report and to provide feedback during, or ahead of, the committee meeting. If no specific feedback is raised, it will be presumed that the Committee is satisfied with the effectiveness of Internal Audit.

⁴ Ibid, footnote 3.

2.8. The internal audit annual opinion also underpins the Council's Annual Governance Statement (AGS). The [2024-2025 AGS](#) was approved by the Committee on 17 July 2025. 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.

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

2.9.1. The annual report on the Council's counter-fraud and whistleblowing arrangements.

2.9.2. The annual review of the council's local [Code of Corporate Governance](#).

2.10. The Director of Corporate Services / S151 Officer has presented forecasts for the revenue and capital outturn for the financial year. The Committee received reports on Quarter 1 in September 2025, Quarter 2 in November 2025, and Quarter 3 in February 2026.

2.11. 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.

2.12. The Committee has also received two external audit updates of 2024/25 in July 2025 and February 2026 as well as two management responses to the external auditors' report of 2023/24.

2.13. As agreed by the Full Council in July 2023, Financial Strategy Advisory Group (FSAG) has been conducting treasury management monitoring on behalf of Audit and Scrutiny Committee since then. The monitoring reports and minutes are available for members to view within the FSAG's [committee papers](#). In March 2025, the Committee received an annual report by FSAG with respect to the Council's Treasury Management activity of the preceding 12 months.

3. Scrutiny

3.1. Epsom and 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”.⁵ 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”,⁶ and it can involve “monitoring performance [and best value], 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.”⁷ 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.”⁸
- 3.3. In the year 2025-2026 the Committee has maintained its “watching brief” and horizon scanning of potential scrutiny activity by reviewing:
- Four corporate performance and risk reports, two of which provided updates 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. The remaining two reports provided the first two quarters of the 2025/26 progress updates.
 - A progress update of the ICT Strategy after the cancellation of the Town Hall move and the Government’s announcement regarding Local Government Reorganisation. A further report on the progress of ICT Internal Audit Management Actions was also considered by the Committee.
 - The annual report on the Council’s progress against its Diversity, Equity and Inclusion Framework.
 - The annual report detailing Stage 1 and Stage 2 complaints received by the Council from 1 April 2024 to 31 December 2024. In July 2025, the Committee also received an annual report from the Local Government and Social Care

⁵ 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].

⁶ 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].

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

⁸ 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].

Ombudsman (LGSCO) on complaint decisions in 2024/25, where the Council was found at fault.

- The annual report on the work undertaken by the Epsom and Ewell Community Safety Partnership.
- The annual report on the Use of Delegated Powers at its July 2025 meeting. This report sets out the significant decisions taken by officers under delegated powers between 3 June 2024 and 3 June 2025.
- At the February 2026 meeting, the Committee considered the Call-in of a decision made by the Community and Wellbeing Committee, under Agenda Item No 4 “Options for the Future of the Museum” (13th January 2026 meeting). The Committee resolved that the decision be referred to the relevant policy committee with a view to its being withdrawn / rescinded. At the time of this reports writing, this is the latest update.
- 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 agreed to add two items to its Work Programme: External Audit Transparency Report and scrutiny of Urgent Decision 158.

4. Conclusion

- 4.1. The Audit and Scrutiny Committee has carried out its Work Programme and wishes to record its thanks to all those who contributed to its work.