

**Minutes of the Meeting of the AUDIT AND SCRUTINY COMMITTEE held at the
Council Chamber, Epsom Town Hall on 19 March 2026**

PRESENT -

Councillor Steven McCormick (Chair); Councillor Phil Neale (Vice-Chair); Councillors Chris Ames, Steve Bridger, Alison Kelly and James Lawrence (as nominated substitute for Councillor Alex Coley)

Absent: Councillor Alex Coley, Councillor Tony Froud and Councillor Jan Mason

Officers present: Andrew Bircher (Assistant Director of Corporate Services), Alex Awoyomi (Principal Solicitor), Sue Emmons (Chief Accountant), Phoebe Batchelor (Democratic Services Officer), Ade Oyerinde (External Auditor) (in attendance remotely for agenda items 1-8), Angela Guest (Democratic Services Officer) and Iona Bond (Deputy Head of Southern Internal Audit Partnership)

51 QUESTIONS AND STATEMENTS FROM THE PUBLIC

There were no statements or questions submitted by the public.

52 DECLARATIONS OF INTEREST

Councillor Ames declared a non-pecuniary interest in that he had a code of conduct complaint against him.

Councillor Lawrence also declared a non-pecuniary interest in that he had a code of conduct complaint against him.

53 MINUTES OF THE PREVIOUS MEETING

The Committee confirmed as a true record the Minutes of the Meeting of the Committee held on **5 February 2026** and authorised the Chair to sign them.

54 ANNUAL PROCUREMENT WAIVER REPORT 2025

The Committee received a report that provided an overview of the procurement Waivers between January 2025 and December 2025. In the year there were a total of fourteen waivers, with a cumulative spend of £479,121.

The following matters were considered:

- a) **Contract Register:** In response to a Member statement that the online contract register was out of date the Assistant Director for Corporate

Services responded that the register was published every quarter and was due to be updated now. He would let Members know when this was done for this quarter.

- b) **Waiver report presentation:** A Member asked why this was presented on a calendar year basis rather than the fiscal year. The report author would be asked to provide a response following the meeting.
- c) **Contract and Waiver details:** A Member detailed several anomalies that he had picked up on when looking at previous contracts on the register, previous freedom of information details and waivers. He undertook to email further details of these to the Chair following the meeting. He asked the following questions which would be responded to following the meeting:
- why there were three highlighted waiver forms not seen as contracts in the December 2025 contracts register and
 - what had changed in the contracting and waivers processes to ensure there was no repeat of the
- d) **Waiver criteria:** A Member suggested that the committee could better monitor the validity of waivers if it could reference an existing criterion that were relied on when the waivers were implemented rather than typical reasons why they've been granted. The Assistant Director of Corporate Services explained the process an officer follows for seeking a waiver. The form to be completed requires very detailed information on the individual circumstances on why normal process cannot be followed and sent to directors for approval. Therefore, the aim of contract standing orders is not necessarily to capture every single circumstance but the principles behind that, with the individual circumstances being set out on the form.
- e) **Carter Jonas/Rainbow Centre:** A Member queried where Carter Jonas obtained what's described as their in-depth knowledge of the structure, fabric, plant, machinery used at the centre. If the Council had carried out the necessary survey last summer prior to the handover, why could it not rely on that survey? The Assistant Director for Corporate Services explained that before the procurement exercise for the Rainbow Centre was begun Carter Jonas were commissioned to carry out a very detailed survey of the whole leisure centre, which would be used as the basis for any future tenders, and for operators to make assessments of the state of condition of the leisure centre. Hence, they had an in-depth understanding and knowledge of the leisure centre.
- f) **Correction of verbal statement made by officer:** *At the end of the meeting the Assistant Director for Corporate services corrected his earlier verbal report that this item had been discussed previously at this Committee and confirmed that this was in fact the first time of being considered at Audit and Scrutiny Committee.*

Following consideration, it was resolved to (5 for and 1 abstention):

(1) Note the Waivers used in 2025.

55 COMPLAINTS REPORT APRIL 2025 - DECEMBER 2025

The Committee received a report that detailed Stage 1 and Stage 2 complaints received by the Council from 01 April 2025 to 31 December 2025.

The following matters were considered:

- g) The Committee were happy to see a reduction in the number of planning complaints.
- h) Regarding paragraph 6.3 a Member asked if there was any automation to assist with enforcements. The Assistant Director for Corporate Services explained that when an enforcement issue is raised that it is logged onto the system and is assigned a unique number as part of the enforcement process. The process has stages and reminders for when the officer needs to review but it is not infallible and requires manual input in order to create the diary tasks, so it was not an automated workflow system.

Following consideration, it was resolved to (5 for and 1 abstention):

(1) Note the contents of the report covering all complaints received by the Council between 01 April 2025 – 31 December 2025.

56 PERFORMANCE AND RISK REPORT – MARCH 2026

The Committee received a report that provided an overview of the council's performance with respect to its ongoing annual plan actions from 2024-25, key performance indicators, corporate risks, committee risks, and annual governance statement actions.

The following matters were considered:

- a) **Temporary accommodation:** A Member stated that the council were not really 'treating' the risk because nothing different was happening and the risk level was not changing. The Council continued to not make provision for affordable housing and the planning system was also not providing for it. The Member believed nothing was being achieved and asked if there was any progress at all being made in providing affordable housing. The Chair requested that further commentary on this be sought from the Housing Manager following the meeting.
- i) **Waste Strategy:** In response to a query about how the waste service were going to handle the new Government directive of more items being recycled the Assistant Director for Corporate Services explained that there was to be detailed communication on this as well as staff training. It was expected that there may be some confusion in the early stages of

implementation. The Committee requested that the communication plan be communicated to all councillors.

- j) **Tribunal Cases:** Information on when the tribunal cases were expected to be concluded to be communicated to the Committee following the meeting.
- k) **(F2) Failure to balance budgets:** It was noted that this risk had not been updated. The Assistant Director for Corporate Services explained that this was a standard, generic risk that would always be a risk but that there was an improvement in that. The Committee requested that this risk commentary be updated.
- l) **(PCR 21) Leisure Centre Contract:** In response to a Member query the Assistant Director for Corporate Services explained that this risk would be removed from the list as the contract had been signed.
- m) **Annual Governance Statement Actions:** A Member pointed out that under the annual governance statement the actions for Councillor training review and enhancement of the Council training and development programme was postponed. However, this action was marked as completed which was not correct. The Chair requested that the commentary provide further explanation that it was not completed but postponed.

Following consideration, it was resolved to:

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

57 FSAG ANNUAL TREASURY MANAGEMENT REPORT

The Committee considered an update on the work undertaken by Financial Strategy Advisor Group with respect to the Council's Treasury Management activity over the past 12 months.

Following consideration, it was unanimously resolved to:

- (3) 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.**

58 EXTERNAL AUDIT UPDATE - 2025-26 AUDIT PLAN

The Committee considered the External Audit Plan for 2025/26.

The following matters were considered:

- a) **Governance Framework:** In relation to appendix 2 of the report a Member questioned how the committee could be sure of the robust

governance framework as described under law and governance in the appendix. He cited several examples of areas of concern that Members had discussed recently including transparency and the constitution not being in line with the framework documents. The Chair noted the Member's comments and stated that areas of concern would come back to this committee.

- b) **Assets Valuation:** There was a Member query about property and assets valuation and the risk that if something was amiss would there be time to correct it before it was handed over to the new unitary. The Chief Accountant gave a detailed description of the annual valuation process which was done by external experts and tested by external auditors. This was a lengthy and time-consuming process that gave as much assurance as possible and the new unitary would have to undertake the same exercises again.
- c) **Lease Valuations:** A Member queried why work around lease valuations happened last year but not needed this year. The Chief Accountant explained that this was a new standard for last year in which new processes were put in place and the external auditor conducted strenuous testing. Going forward there would still be testing but not so rigorous.
- d) **Deputy S151 Officer:** In response to a Member query, it was reported that the Chief Accountant was also the Deputy S151 Officer. A Member queried whether that should be listed on the organisation chart to which the Chair requested that officers look into that suggestion.

Following consideration, it was unanimously resolved to:

- (4) **Receive and note the External Audit Plan for 2025/26 as set out in Appendix 1 and acknowledge that the S151 Officer is satisfied with the details of the scope of the audit.**
- (5) **Receive and note the enquiries of management document as set out in Appendix 2.**

59 AUDIT AND SCRUTINY COMMITTEE ANNUAL REPORT 2025-2026

The Committee received the Annual Report of the Audit and Scrutiny Committee 2025-2026 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 2025 and February 2026.

- n) Members commented that the annual plan did not give enough credit to the work that committee had done on increasing transparency. Another Member requested an additional bullet point be inserted at paragraph 3.3 to read:-

“At the September 2025 meeting, the committee received a report on management's expanded commentary on the auditor's findings after having resolved to receive such a report at the March 2025 meeting.”

This was seconded and unanimously agreed by Committee.

- o) It was also proposed, seconded and unanimously agreed to amend the conclusion to include:

“the Audit and Scrutiny Committee had carried out most of its work programme and wished to record its thanks to all those who contributed to its work. It was noted that some items on the work programme had not been progressed due to resource constraints and local government reform.”

- p) That the date of the council meeting the annual report will go to (July 2026) to be inserted as it would not go to the Annual Council in May.
- q) March meeting attendees to be amended as Jan Mason did not attend.

Following consideration, it was unanimously resolved to:

- (6) Note the Annual Report of the Audit and Scrutiny Committee 2025-2026 (Appendix 1) and recommend submission to Full Council with the insertion of the agreed amendments.**
- (7) Confirm the effectiveness of Internal Audit as per Section 2.7 of Appendix 1.**

60 INTERNAL AUDIT ANNUAL PLAN 2026-2027 AND INTERNAL AUDIT CHARTER

The Committee received a report that presented the Internal Audit Charter and the Internal Audit Plan 2026-27. The Internal Audit Charter (Appendix 1) was a formal document that included the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications. The Internal Audit Plan (Appendix 2), developed by the Chief Internal Auditor, identified the engagements and other internal audit services anticipated to be provided during a given period.

The following matters were considered:

- r) The Internal Auditor confirmed that the Plan had reverted to an annual plan rather than half yearly plans. The Committee would still receive updates throughout the year. She also confirmed that the audit work for the year would need to be concluded by end of December as the conclusions report would be presented to the March 2027 meeting.
- s) In response to a Member question around the Local Government Review transition process and audit reporting, the Internal Auditor confirmed that she currently reported to four of the five councils that would make up East

Surrey unitary. She could not say what the internal audit proposals were for the new unitary and that was a task for the shadow authority to make clear as part of their work.

- t) In response to a Member statement about not wanting the piece of work around volunteers to be forgotten the Chair confirmed that this was on the workstream of the new shadow authority.

Following consideration, it was unanimously resolved:

- (8) To provide input to and approve the Internal Audit Charter 2026-27 as set out in Appendix 1.**
- (9) To provide input to and approve the Internal Audit Plan 2026-27 as set out in Appendix 2.**

61 INTERNAL AUDIT EXTERNAL QUALITY ASSESSMENT RESULTS

The Committee considered a report that provided the outcome from the External Quality Assessment of the Southern Internal Audit Partnership against the new Global Internal Audit Standards in the UK Public Sector.

- a) The Committee thanked the auditors and officers for their good working relationships.

Following consideration, it was unanimously resolved to:

- (1) Note the report of the External Assessor following the External Quality Assessment of the Southern Internal Audit Partnership against the Global Internal Audit Standards in the UK Public Sector (Appendix 1), and the action plan developed against suggested opportunities for future development (Appendix 2).**

62 INTERNAL AUDIT PROGRESS REPORT (FEBRUARY 2026)

The Committee received a report that presented the Internal Audit Progress Report 2025-26 (February 2026). The report provided an overview of internal audit activity and assurance work completed in accordance with the approved audit plan and provides an overview of key updates relevant to the discharge of the committee's role in relation to internal audit.

The following matters were considered:

- a) A Member questioned why restricted reports only referred to the relevant paragraph of Part One of Schedule 12 to the Local Government Act and not the assessment undertaken as to the public interest as set out in annex 4.4 of the Council's Operating Framework. The Principal Solicitor responded that the restriction would have been an officer decision and that it was not usual practice to include a public interest statement on restricted reports but would take this away for consideration.

Following consideration, it was unanimously resolved to:

- (2) Note the internal audit progress report 2025-26 (February 2026) from Southern Internal Audit Partnership (SIAP) attached at Appendix 1.**

63 WORK PROGRAMME - MARCH 2026

The Committee received its rolling annual Work Programme.

The following matters were considered:

- b) **Changes to Work Programme:** The Committee noted the changes to the work programme as reported by the Assistant Director of Corporate Services and the Internal Auditor which included:
- The External Audit update was on the agenda for this meeting so would be removed from the next meeting.
 - The September item of External Audit Update and 2025-26 Plan to be reworded to External Audit Findings Report and Auditors' Annual Report.
 - The July 2026 meeting will include the Internal Audit Annual Conclusion and 2025-26 Plan. There will not be a progress report as this would be included in the conclusion report.
- c) **Call-In Decision:** A Member sought an update and clarification on Community and Wellbeing Committee deferred decision. Following call-in to Audit and Scrutiny Committee a decision sheet was published. Did this decision stand and should it stay published. The Principal Solicitor undertook to seek a response following the meeting.
- d) **Urgent Decisions listing:** The item on urgent decisions listed for the July meeting should refer to the February meeting and not the March meeting. This would be amended.
- e) **Urgent Items Report:** A Member spoke about the slippage of some items due to officer resource going to Community Governance Review and requested that the July item on urgent items not be delayed.

Following consideration, it was unanimously resolved to:

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

The meeting began at 7.30 pm and ended at 9.44 pm

COUNCILLOR STEVEN MCCORMICK (CHAIR)