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To: MEMBER OF THE AUDIT & SCRUTINY COMMITTEE
Councillors Langton (Chair), Allen (Vice-Chair), Bloore,
Crane, Davies, Dennis, Flower, Gray, O'Driscoll and
C.White

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01883 722000

Substitute Councillors: Botten, Cooper, Pursehouse and
N.White

C.C. All Other Members of the Council

19 January 2022

Dear Sir/Madam

AUDIT & SCRUTINY COMMITTEE THURSDAY, 27TH JANUARY, 2022 AT 7.30 PM

The agenda for this meeting of the Committee to be held in the Council Chamber - Council Offices is set out below. If a member of the Committee is unable to attend the meeting, please notify officers accordingly.

Should members require clarification about any item of business, they are urged to contact officers before the meeting. In this respect, reports contain authors' names and contact details.

If a Member of the Council, not being a member of the Committee, proposes to attend the meeting, please let the officers know by no later than noon on the day of the meeting.

Yours faithfully,

David Ford
Chief Executive

AGENDA

- 1. Apologies for absence (if any)**
- 2. Declarations of interest**

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter:

- (i) any Disclosable Pecuniary Interests (DPIs) and/or
- (ii) other interests arising under the Code of Conduct

in respect of any item(s) of business being considered at the meeting. Anyone with a DPI must, unless a dispensation has been granted, withdraw from the meeting during consideration of the relevant item of business. If in doubt, advice should be sought from the Monitoring Officer or her staff prior to the meeting.

- 3. Minutes of the meeting held on the 2nd November 2021 (Pages 3 - 10)**
- 4. To deal with any question submitted under Standing Order 30**

5. **To deal with any issues 'Called In' under Part F of the Council's constitution**
6. **Community Safety Review** (Pages 11 - 18)
7. **External Audit Update - 20/21 Accounts Update** (Pages 19 - 22)
8. **Appointment of External Auditors** (Pages 23 - 36)
9. **Internal Audit Progress Report - January 2022** (Pages 37 - 52)
10. **Finance Transformation Project**

To provide a verbal update on the current position of the Finance Transformation Project.

11. **Project Management Review** (Pages 53 - 60)
12. **Performance Exceptions Report** (Pages 61 - 72)
13. **Any other business which, in the opinion of the Chair, should be considered as a matter of urgency**

TANDRIDGE DISTRICT COUNCIL

AUDIT & SCRUTINY COMMITTEE

Minutes and report to Council of the meeting of the Committee held in the Council Chamber, Council Offices, Station Road East, Oxted on the 2 November 2021 at 7.30pm.

PRESENT: Councillors Langton (Chair), Allen (Vice-Chair), Botten (substitute in place of Dennis), Crane, Davies, Flower and O'Driscoll and N.White

ALSO PRESENT: Councillors Farr and Lockwood

APOLOGIES FOR ABSENCE: Councillors Bloore, Dennis, Gray and C.White

167. MINUTES OF THE MEETING HELD ON THE 30TH SEPTEMBER 2021

The actions in the minutes of the meeting of 30 September 2021 (unless otherwise stated) were reviewed and it was noted that:

- (from meeting on 8 July 2021) SIAP would produce a paper for the next meeting that would outline the standards that SIAP had to comply with in respect of internal audit planning and the role of the Committee in that process – **Update:** Neil Pitman would prepare and circulate the report to Members and take questions in relation to the same on 27 January 2022;
- (from meeting on 8 July 2021) It was confirmed that the Anti-Fraud Policy had been circulated during the meeting on 30 September 2021;
- A written update had been provided to the Committee in relation to phishing and cyber security;
- The interim Chief Planning Officer was in attendance to answer questions in respect of Building Control issues;
- It was confirmed that the current document deletion policy had been circulated as requested;
- A note had been circulated to Councillors on how the Council uses complaints to improve its services;
- Information relating to payments made to staff in employment cases was still outstanding and must be allocated to the relevant member of staff to complete.

Any actions relating to the resolutions from the last meeting are contained in the relevant minute.

Taking into account these responses, the minutes from the meeting were agreed.

168. INTERNAL AUDIT - REVIEW AND UPDATE

The Chief Executive presented a report setting out the underlying reasons for the late closure of internal audit actions set by the Southern Internal Audit Partnership (“SIAP”) and the steps being taken to address them. Steps to increase the number of closed actions included:

- monthly discussions with SIAP and Executive Leadership Team (ELT) to review and monitor outstanding actions;
- review and realignment of the ELT;
- review and reconsider the working arrangements between the Senior Leadership Team and ELT and the role of each group;
- introduce appropriate arrangements and good principles of project and programme management; and
- baselining of all of our actions on improvement activities associated with, Internal Audit, Corporate Improvement and the Annual Governance Statement.

Some of these proposed actions had already commenced. It was also proposed that the Committee would be regularly updated on progress against the actions set out in the report.

The Committee also received an update on the progress of the Disaster Recovery Plan, including the works taking place at the Warren Lane depot.

Councillor Langton proposed an a slightly amended recommendation which was seconded by Councillor O’Driscoll.

RESOLVED – that Members note the report and that progress on addressing the underlying reasons for the late closure of internal audit actions is reviewed at future Audit & Scrutiny Committee meetings.

169. GRANT THORNTON UPDATE

The Chief Finance Officer presented an update to the Committee on the Grant Thornton report recommendations, previously presented to the Committee on 30 September. The update also provided information on the actions necessary to:

- provide confidence in the underlying position for a budget to be set for financial year 2022/23;
- finalise and present the 2021 outturn position to the Strategy & Resources Committee on 2 December; and
- finalise and sign off the 2021 accounts (subject to audit)

Work on these actions had commenced and was still in progress due to the complex nature of the situation. A proposed three phase progress timeline for completion of the actions was set out in Appendix 1 to the report and a summary of the tasks involved was provided.

An overall transformation plan would be provided in the future setting out all of the ongoing tasks with owners and timelines to allow the Committee to determine progress.

It was noted that the Grant Thornton recommendations were only a small part of the Finance transformation programme and other activities were ongoing to ensure delivery of the objectives set out above.

Further information was provided in respect of the 2020/21 outturn and accounts and a possible surplus amount of approximately £800,000 although work was still ongoing to confirm this position. It was also noted that currently there was an estimated gap of £1.7 million in the 2022/23 budget and this was being addressed in the current work being undertaken by the Council and Impower.

The Committee noted that it would expect to see a Medium Term Financial Strategy which would help identify any underlying cost issues on a year by year basis. It was expected that the ongoing work with Impower would assist in providing a medium term view of the Council's financial position. However, the current focus was on providing a balance budget for 2022/23.

In response to concerns raised about the strength of processes, systems and future planning, it was noted that the transformation project included a training element to provide key staff with the ability to understand budgets and associated processes. In addition, process and system were being reviewed to improve governance and efficiency.

Councillor Langton proposed an a slightly amended recommendation which was seconded by Councillor O'Driscoll.

R E S O L V E D – that the Committee approve the urgent actions (with associated owners and timelines) to be addressed as Phase 1 of the response to the Grant Thornton review along with the other actions identified to allow the Council to be confident in setting a budget for 2022/23 and that a review of the progress of the transformation plan be undertaken in future Audit & Scrutiny and Strategy & Resources Committee meetings.

170. APPOINTMENT OF EXTERNAL AUDITORS

Barry Stratfull, Chief Accountant (Corporate) at Surrey County Council, presented a report relating to the appointment of the Council's external auditor for the period from 2023/24 to 2027/28.

It was recommended that the proposed appointment be made under the national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) rather than the Council arranging its own procurement or joining with other authorities to establish a joint auditor panel. The report set out the advantages to appointing with PSAA. It was also noted that 98% of Local Authorities utilise PSAA for their external auditor appointment.

The Committee was concerned that there were no comparative cost or statistical information to identify any savings obtain by using PSAA's services rather than the Council undertaking its own procurement process. There were also concerns regarding whether the Council would be able to provide input to the PSAA before an appointment of the external auditor was finalised.

It was acknowledged that it may be possible to obtain cost and statistical information from when the process was last undertaken by PSAA five years ago to assist with the decision making process. However, concerns were raised as to whether the historic data could be relied upon as it may not reflect current market conditions.

However, it was agreed that such information be sent to the Chair and Vice Chair before January's Audit and Scrutiny meeting. It was also highlighted that there would be a strain on internal capacity if the Council opted to undertake its own procurement exercise.

Due to these concerns it was suggested that the decision be deferred to the Audit & Scrutiny meeting on 27 January 2022, when the requested information from Mr Stratfull is available. Any decision of the Committee could then be voted on at Full Council on 10 February 2022.

Councillor Langton proposed an alternative recommendation which was seconded by Councillor O'Driscoll.

RESOLVED – that the report be deferred to the Audit & Scrutiny Committee on 27 January 2022 to allow further statistical and cost information to be provided to assist with the decision making process.

ACTIONS –

| | | Officer responsible for ensuring completion | Deadline |
|---|--|--|---------------------------|
| 1 | Cost and statistical information relating to the PSAA external audit tender be sent to the Chair and Vice Chair before January's Audit and Scrutiny meeting. | Barry Stratfull (Chief Accountant (Corporate) at Surrey County Council | Before the next Committee |

171. EXTERNAL AUDIT - 19/20 ACCOUNTS UPDATE

Laura Rogers and Michelle Hopton from the Council's external auditor Deloitte provided a verbal update on the current position of the outstanding audits.

It was confirmed that the 2019/20 accounts had not yet been signed off but work was ongoing to get this completed. The reasons this was still outstanding included account reconciliation issues, resignations within the team and the impact of Covid. There was also a wider issue relating to the provision of auditing service to Local Authorities that was not Deloitte specific. The Committee was assured that the Tandridge audit was being prioritised and additional resources had been allocated to the team. The main tasks outstanding was to complete the reconciliation and finalising testing.

It was suggested that Deloitte provide the Finance Team with a granular plan with time allocated to show when the audit will be finished. This could be provided week commencing 8 November 2021. It was confirmed that the 2021 audit had already started and there was more resource available to ensure a better process. It was acknowledged by the Chief Finance Officer that there had been a noticeable difference with the 2021 audit process and hoped that similar issues would not be repeated in the future. The Committee was also assured that no further audit planning would be commenced within Deloitte until Local Authority backlogs were cleared.

The Committee expressed its surprise that Deloitte had been unable to provide additional resource to cover staff illness and was disappointed that the recommendations had not be actioned and that a plan had not been put in place sooner. In addition, the Committee was frustrated that no details, timelines or statistics had been provided to evidence when the audit would be completed. It was therefore proposed that a formal complaint should be submitted to a Senior Partner at Deloitte expressing the Council's serious reservations about the standard of the service received during the course of the audit.

Councillor Langton proposed an alternative recommendation which was seconded by Councillor O'Driscoll.

RESOLVED – that

- A. the Chair and Vice Chair, in conjunction with the relevant Council officers, write a formal letter of complaint to Deloitte, which will be made public, in relation to the preparation of the 19/20 accounts; and
- B. Deloitte to prepare the information requested at the 30 September meeting of the Committee and supply the information by 12 November 2021.

172. ANNUAL GOVERNANCE STATEMENT 2020 - 2021

The Head of Legal Services presented a report setting out the final version of the Annual Governance Statement (“AGS”) that had previously been presented to the Committee in draft on 30 September 2021.

It was noted that the AGS action plan had been amended to include a prioritised action plan which identified action owners and completion dates. Additional minor amendments has been made in consultation with the Chair and Vice Chair. It was noted that the format of the AGS would be simplified in 2022 to represent key items only.

In response to questions raised by the Committee it was explained that the AGS is written by Officers as a summary of how the Council governs itself and is a document which Councillors can assess the processes and decide whether it is fit for purpose. It was noted that external audit also reviews the document and it was requested that confirmation of this be provided in writing.

Concerns were raised about whether the document was fit for purpose and the Committee presented differing views on this issue. It was explained that the purpose of the AGS was to set out the Council's governance and to show compliance with the CIPFAs regulations and guidance and to show publicly the internal checks and balances in place, which the document achieved. It was suggested that some improvement was still required to increase public confidence in the Council.

It was noted that the Committee would continue to review the AGS at future committee meetings.

Councillor Langton proposed an alternative recommendation which was seconded by Councillor Botten.

RESOLVED – that the Committee approve the updated Annual Governance Statement and that the priority actions be reviewed at each future Audit & Scrutiny meeting. Further external audit will be asked to provide confirmation in writing that the AGS is satisfactory.

ACTIONS:

| | | Officer responsible for ensuring completion | Deadline |
|---|---|--|-----------------|
| 1 | To obtain written confirmation from the external auditors that the AGS is satisfactory. | Lidia Harrison (Head of Legal Services & Monitoring Officer) | 27.01.22 |

173. COMPLAINTS UPDATE

The Head of Communications & Customer Experience presented an update report on the Council’s approach to managing complaints and Freedom of Information (“FOI”) requests. A summary of the number of complaints and FOIs received was provided which was supplemented by a briefing note which has been circulated to the Committee in advance of the meeting.

The Committee welcomed the further information provided in the report but requested that further information be provided on each complaint so that Councillors had an understanding as to the nature of each complaint. Additional information was also requested in respect of internal steps take in cases where compensation had been paid to complainants along with the amount paid. It was noted that work was being undertaken on the system to provide the requested information as soon as possible as this could currently only be provided by manually working through the system which was time consuming.

The Committee noted and welcomed that fact that compliments had been received for excellent customer service by a number of staff. However, it was noted that a number of complaints had been raised in respect of Council Tax in relation to the setting up of direct debits and the receipt of Liability Orders. It was recommended that any complaints be directed to the Council so that any issues can be rectified as soon as possible.

In respect of FOI requests, the Committee requested information in respect of the Council’s legal obligation to reply to all requests received, as a vast majority related to commercial enquires. It was noted that the Council had to focus on the legitimate FOI requests received and should attempt to provide responses to commercial FOI requests by reference to information provided on the Council website. This would hopefully save money and prevent repeat requests.

RESOLVED – that the Committee notes and accepts the report.

ACTIONS:

| | | Officer responsible for ensuring completion | Deadline |
|---|---|---|-----------------|
| 1 | Further information to be provided for each recorded complaint and compensation details to be provided to Committee | Giuseppina Valenza (Head of Communications & Customer Experience) | TBC |

174. RESIDENTS' SURVEY 2021

The Head of Communications & Customer Experience presented a report on the results of the Resident's Survey that was carried out in July and August 2021. The key findings of the results included:

- 82% of respondents are satisfied with the area as a place to live and 57% with the way the Council runs things
- 33% agree the Council provides value for money, while 33% neither agree nor disagree
- 75% strongly feel they belong to their local area
- 57% trust the Council

In response to the findings, the Council wanted to develop a communications campaign to increase residents' awareness about services and initiatives. In addition, it was proposed that further research, including focus groups, should be carried out to supplement the results and inform any future prioritisation work.

The Committee noted the need to obtain the views of younger people in the District as they were under represented in the results. It was confirmed that local schools and colleges had been contacted to promote the survey to attempt to increase participation. Social media had also been used to promote the survey to all ages groups.

A concern was raised that three quarters of the survey results for the Council fell below the LGA average results. It was noted that developments to the Strategic Plan and improvement of services would be communicated to residents to attempt to address and improve the public perception of the Council. It was noted that the survey results identified that Council communication with residents was above the LGA average and that this should be commended. The Committee however queried whether a further communications campaign and further research was required. It was suggested that a more targeted communications campaign could be more beneficial and existing data could be used to undertake this task.

The Committee also suggested a further recommendation that a further communications be put out by the Council signposting residents to the Council website rather than contacting by telephone.

Councillor Langton proposed an alternative recommendation which was seconded by Councillor O'Driscoll.

RESOLVED – that

- A. a selective communications campaign is developed to increase residents' awareness about services (including the Council website) and initiatives as well as to demonstrate value for money; and
- B. further research, including selective focus groups, is carried out to supplement the results and inform any future prioritisation work.

175. PERFORMANCE EXCEPTIONS REPORT - VERBAL UPDATE

The Programme Management Officer provided a verbal update on the changes to the performance exception report that has been in development for a number of months. The reports had recently been refined to include targets that had not been met for at least two Quarters or if a risk has remained 'red' on one of the Council's committee published risk registers for at least two Quarters. At the last meeting, the Committee had asked for the report to be further refined and a subsequent meeting had been held with the Chair and Vice Chair to discuss the changes.

The process for preparing the report was explained to the Committee. The following points were highlighted:

- 'Red risks' would remain in the report;
- KPI's would only be included in the report following an assessment against the Council's risk management strategy;
- It was suggested that the Audit & Scrutiny Committee could put forward indicators that the policy committees would have to formally respond to. This indicator could then form part of the next policy committee exception report. In turn, the response would then be fed back to the Audit & Scrutiny Committee.

R E S O L V E D – that the Committee notes the progress of the development of the exceptions report in advance of the formal written report due at the Audit & Scrutiny Committee on 27 January 2022.

176. ANY OTHER BUSINESS WHICH, IN THE OPINION OF THE CHAIR, SHOULD BE CONSIDERED AS A MATTER OF URGENCY

The Chair of the Committee raised a concern regarding the weakness of project management within the Council. It was noted that a draft report had already been produced and circulated to the Chair and Vice Chair for consideration. The report would be finalised and placed on the agenda for the next meeting of the Committee.

Rising 10.15 pm

Community Safety Review

Audit & Scrutiny Committee Thursday, 27 January 2022

Report of: Community Safety Officer

Purpose: For information

Publication status: Unrestricted

Wards affected: All

1. Executive summary:

- 1.1 The purpose of this paper is to update Committee Members on Community Safety activities in the District.
 - 1.2 This paper will provide a brief overview of the statutory and non-statutory activities undertaken and achievements in 2021/22.
-

This report supports the Council's priority of: Building a better Council

Contact officer Amanda Bird
abird@tandridge.gov.uk

2. Introduction and background

- 2.1 The Crime and Disorder Reduction Act 1998 and the Anti-Social Behaviour, Crime and Policing Act 2014 requires 'responsible authorities' to work together to reduce crime and disorder in their area. In a two-tier authority area such as Surrey, there is a requirement for a county level community safety group which is supported by community safety partnerships at each of the 11 district and borough councils.
- 2.2 The statutory role of a community safety partnership is:

- Coordinate and plan responses to the prevention of crime, disorder, anti-behaviour and emerging risks across the district
- Identify and agree local priorities
- Facilitate information sharing and partner updates
- Receive updates and provide strategic overview on the work of operational working groups including Joint Action Groups and the Community Harm and Risk Management meetings
- Ensure compliance with all statutory CSP responsibilities and keep abreast of emerging national, county or local changes to policy or legislation affecting the Partnership

2.3 The range of operational problems and behaviours under the context of community safety is varied and complex. This requires strong multi agency partnership working, effective communication and often complex problem-solving approaches.

3. Tandridge Community Safety Partnership

3.1 The TCSP represents a significant commitment by partner agencies to work together to improve the lives of the Tandridge residents. The partnership has set out how it will achieve this vision under agreed terms of reference which includes:

- Working with partners to create strong and safe communities
- Working with police, Surrey County Council and partner agencies to identify the causes of crime and work collaboratively on problem solving.
- Raising awareness of hidden crimes such as domestic abuse and contextual safeguarding
- Working with partner agencies to deliver effective joint enforcement activities and proactive targeting of problem areas

3.2 The Tandridge Community Safety Partnership (TCSP) board brings together statutory and non-statutory partners including Tandridge Community Safety, Tandridge Housing, Surrey Police, Surrey Community Safety, Surrey Heartlands CCG, Surrey Fire and Rescue, Police and Crime Commissioner, Tandridge Voluntary Action and Probation Service.

The meetings are held quarterly and are also attended by a District Councillor representative (Councillor Gillman) and a Surrey County Councillor (Councillor Farr)

3.3 The TCSP has agreed the priorities for 2021/2022:

- Rural Crime
- Domestic Abuse
- Serious Organised Crime (including safeguarding)

The priorities will be reviewed in March 2022 through an assessment of current and possible future crime, disorder and anti-social behaviour (ASB) issues. Sources which inform the priorities include but not limited to:

- Partner agency leads views
- Surrey Community Safety Agreement
- Office of the Police and Crime Commissioner (Surrey)
- Tandridge Police

The TCSP does not override the priorities and day to day operation of each individual agency. It is intended that the TCSP provides added value in joint working between partners to address the agreed priorities.

3.4 The majority of activity and intervention across the Partnership is undertaken through the operational delivery groups. Examples include but not limited to:

- Joint Action Groups (JAGS)
- Community Harm and Risk Management Meeting (CHaRMM)
- Serious Organised Crime working group
- Community Trigger panels

3.5 The successful outcomes achieved by these groups are a direct result of the commitment of all agencies to work together to reduce crime, disorder and protect the most vulnerable in the community.

3.6 It is important to note the extensive work carried out across Tandridge Council team and partner agencies on all aspects of community safety. Significant resource is focused on a wide range of operational issues including but not limited to ASB, neighbour disputes, vulnerable children, counter-terrorism, safeguarding concerns, exploitation and modern slavery.

4. TCSP Action Plan 2021 outcomes include:

4.1 Rural Crime

- Rural Crime JAG has established. Attendees include Surrey Police, Tandridge Council, PCC (Surrey), National Gamekeepers Association and National Farmers Union. The meetings are held quarterly.
- Dedicated Rural Crime Police officer in place during the poaching season
- Training has been rolled out with the police force control room to ensure they are actively deploying units to cases of rural crime
- Tandridge are sharing intelligence and evidence where issues are identified

- Active and ongoing engagement with the rural community this includes a Whatsapp group for updates between police and land owners
- Increase in proactive use of legislation to stop activities of identified perpetrators.
- Increase in cross border work with Kent and Sussex police. Sharing intelligence and pro-active problem solving across county borders.
- Design Out Crime police officer engaging with land owners to advise on target hardening in specific locations
- Planned Live Q and A on Facebook with the rural community in Spring 2022

4.2 Domestic Abuse

- Chairing of the East Surrey Domestic Abuse Working Group with partner agencies
- Co-ordinate and chair the project board for the IRIS programme (Identification and referral to improve safety).
- Attend and contribute to the county wide Domestic Homicide Oversight Group
- Raise awareness and promote DA outreach services to staff and residents
- Continued close working relationship with East Surrey Domestic Abuse Service (ESDAS)
- Worked with Surrey Community Safety and Tandridge Housing team to embed the recommendations from the new Domestic Abuse Bill

4.3 Safeguarding

- Work in partnership with Surrey CC and other organisations to increase focus on contextual safeguarding including child exploitation
- Attendance at the weekly Risk Management Meeting (RMM) to contribute to the Tandridge cases for young people experiencing or at risk of exploitation.
- Supporting effective joint working between community safety and safeguarding leads across the county
- Continue to focus on raising awareness of potential safeguarding risks across council teams and external organisations
- Promote the importance of raising safeguarding concerns and the mechanism for reporting

4.4 Serious Organised Crime

- Co-ordinate and organised SOC briefings as part of the Joint Action Group meetings. This includes local intelligence and a risk profile for the district
- Partnership working with agencies using local intelligence to address incidents relating to SOC
- Appropriate interventions across partner agencies when specific issues are identified
- Awareness campaigns for specific issues such as modern-day slavery

5. Community Safety Activities

Additional notable achievements during 2021 include but not limited to:

Frauds and Scams

- Established a Tandridge Frauds and Scams Working group to identify and raise awareness of frauds and scams with specific emphasis on the digitally excluded. Chaired by community safety. Attendees include Surrey Police, Trading Standards, Citizens Advice Bureau, Age UK Surrey, Neighbourhood Watch, Crimestoppers, Adult Social Care, Tandridge Voluntary Action, Mole Valley Life and Wellbeing Prescription.

Safeguarding project

- Reviewed Tandridge safeguarding policies and procedures and produced an updated safeguarding protocol for Tandridge Council. This includes refresher training for all staff and councillors

Safer Streets

- Successful bid for Safer Streets funding from the Home Office for target hardening in Godstone and Bletchingley where statistics indicated a disproportionately high number of rural burglaries. The project is led by Surrey police and supported by Tandridge Council and will be completed by March 2022

Community Protection Warning and Notices

- Training for staff on Community Protection Warnings and Notices and the drafting of a policy and procedures document. This tool is embedded in the ASB Crime and Policing Act 2014 and all councils have the authority to use this power. Historically it has not been used at Tandridge and there has been a reliance on Surrey Police to exercise this power on our behalf. The training took place in January 2022 and the intention is to launch the tool for staff in March 2022.

Antisocial behaviour awareness week

- In support of National ASB awareness week (19th – 25th July 2021) officers supported a number of partners with awareness raising initiatives. Activities included an ASB clinic on Masters Park (Oxted), proactive targeted ASB patrols, supported the Crimestoppers van on its tour around areas of the District, posting social media messages and working with British Transport Police.

Water Safety Partnership

- Working in partnership with the newly formed water safety partnership. The partnership brings representatives from district

and boroughs across Surrey together, along with representatives of organisations with an interest in water safety and drowning prevention to provide a strategic overview and direction. It supports the National Drowning Prevention Strategy 2016 – 2026, as well as support of flood preparation and emergency response.

Prevent Training

- Training rolled out to all staff to raise awareness of the importance of remaining vigilant and to report any terror related concerns. The Home Office Prevent training was circulated and staff were educated on the Surrey Prevent referral process.

6. In 2022 we will:

- Continue to focus on the priorities and deliverables for the Tandridge Community Safety Partnership
- Maximise opportunities to work in partnership to tackle community safety issues across the district
- Continue to participate and represent Tandridge in district and county wide working groups including D&B Community Safety Leads, D&B safeguarding leads, Domestic Homicide Oversight Group, Prevent (counter terrorism) Exec Board, Crime Risk Mapping meeting and Serious Organised Crime board.
- Work on protecting our most vulnerable through pro-active problem solving and engaging with partner agencies and residents

Key implications

7. Comments of the Chief Finance Officer

There are no direct financial implications from this update report. Due to the Councils financial constraints any costs incurred will be contained within the current and future budgets.

There are no capital expenditure implications within the report.

8. Comments of the Head of Legal Services

Community Safety Partnerships are a statutory requirement under the Crime and Disorder Act 1988 ('the Act'). The CSPB priorities complies with the Community Safety Partnership's statutory duty under section 6 of the Act to formulate and implement a strategy for reducing crime and disorder in the District.

Section 19 of the Police and Justice Act 2006 requires every local authority to have a crime and disorder committee with the power to review or scrutinise decisions made, or other action taken in connection with the discharge by the responsible authorities of their crime and disorder functions. The Crime and Disorder (Overview and Scrutiny) Regulations 2009 ('the Regulations') complement the provisions under section 19. The Act and the Regulations do not require councils to alter existing committee structures. There, must, however, be a formal place where community safety matters can be discussed.

The terms of reference of this Committee fulfil the scrutiny function in relation to crime and disorder matters. Not to enable this Committee to scrutinise the work of the CSPB would be in contravention of the Act.

Equality

The Council has a Public-Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

The strategic aim of the CSPB is to foster a safer District. It seeks to do so by tackling specific community safety issues, including violent crime, domestic abuse, exploitation, low public confidence, repeat victimisation, and reoffending.

The CSPB will help the Council and partners to address known inequalities relating to community safety, including overrepresentation of particular groups among victims and perpetrators of crime.

Climate change

There are no significant environmental / sustainability implications associated with this report".

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External Audit Update - 20/21 Accounts Update

Audit & Scrutiny Committee Thursday, 27 January 2022

Report of: Chief Finance Officer (Section 151)

Purpose: For information

Publication status: Open

Wards affected: All

Executive summary:

The Council's external auditors, Deloitte, will provide a verbal update to inform the Committee on the current position of the signing of the Council's 2020/21 accounts.

This report supports the Council's priority of: Building a better Council

Contact officer Anna D'Alessandro Interim Chief Finance Officer and Section 151 Officer
ADAlessandro@tandridge.gov.uk

Recommendation to Committee:

That Deloitte's update be noted, and that authority be delegated to the Council's Section 151 Officer in consultation with the Chair of the Audit and Scrutiny Committee, to give final approval to those Accounts.

Reason for recommendation:

There is a legal requirement for the Council to sign off the 2020/21 accounts as soon as possible.

Introduction and background

1. At the Audit & Scrutiny Committee on 30 September 2021, Deloitte provided a verbal update to the Committee on the current position of the signing off of the Council's 2019/20 and 2020/21 accounts.
2. It is expected that the 2019/20 accounts will be signed off before the meeting of the Audit & Scrutiny Committee on 27 January 2022.
3. The purpose of Deloitte's attendance at the committee meeting on 27 January 2022 is to provide an update on the current position of the signing off of the 2020/21 accounts, which should have completed last year.

Other options considered

No other options were considered as the completion of the 2020/21 is a statutory requirement.

Key implications

Comments of the Chief Finance Officer

There are no direct financial implications of the report. The signing of Accounts by the external auditors is a statutory requirement and the Council will continue to work with Deloitte in whatever capacity required to achieve sign off.

Comments of the Head of Legal Services

The delay to the sign off of the Statutory Accounts has not arisen through Council fault. Failure to produce a final set of accounts is not only a statutory breach but also has consequential reputational damage to the Council. These are key financial documents, and its implications for the Council have to be considered in financial planning purposes, but for this Committee there are no direct legal implications in noting the recommendations in this report.

Equality

There are no Equalities implications directly arising from the statutory audit of the financial statements.

Climate change

There are no Climate Change implications directly arising from the statutory audit of the financial statements.

Appendices

None.

Background papers

None.

----- end of report -----

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Appointment of External Auditors

Audit & Scrutiny Committee Thursday, 27 January 2022

Report of: Anna D'Alessandro Interim Chief Finance Officer and Section 151 Officer ADAlessandro@tandridge.gov.uk

Purpose: To appoint the external Auditor for the accounts for the five-year period from 2023/24

Publication status: Unrestricted

Wards affected: All

Executive summary:

The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. The Council opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23.

PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28. During Autumn 2021 all local government bodies need to make important decisions about their external audit arrangements from 2023/24. They have options to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join and take advantage of the national collective scheme administered by PSAA.

This report supports the Council's priority of: Building a better Council

Contact officer Anna D'Alessandro Interim Chief Finance Officer and Section 151 Officer ADAlessandro@tandridge.gov.uk

Recommendation to Committee:

It is recommended that the Committee accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.

Reason for recommendation:

If the Council wishes to take advantage of the national auditor appointment arrangements, it is required under the local audit regulations to approve the recommendation at Full Council. The opt-in period starts on 22 September 2021 and closes on 11 March 2022. To opt into the national scheme from 2023/24, the Council needs to return completed opt-in documents to PSAA by 11 March 2022.

Introduction and background

- 1 This agenda item was originally brought to the Audit & Scrutiny Committee on 2 November 2021. A copy of the original report is attached at Appendix A for ease of reference. At the meeting, the Committee resolved to defer the item to allow for further statistical and cost information to be provided to assist with the decision-making process.
- 2 Following a meeting with the Chair and Vice Chair of this committee, a briefing note was prepared and finalised. A copy of this note is attached at Appendix B for the committee to assist with their decision as to whether to accept the invitation from the PSAA to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.
- 3 As per the conclusion in the previous committee report, it is recommended that the Committee accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.

Other options considered

- 4 Other options are set out and explained in the previous committee report attached at Appendix A.

Key implications

Comments of the Chief Finance Officer

There is a risk that current external audit fee levels could increase when the current contracts end. It is clear that the scope of audit has increased, requiring more audit work. There are also concerns about capacity and sustainability in the local audit market.

Opting into a national scheme provides maximum opportunity to ensure fees are as realistic as possible, while ensuring the quality of audit is maintained, by entering into a large-scale collective procurement arrangement.

Comments of the Head of Legal Services

Section 7 of the Local Audit and Accountability Act 2014 requires the Council to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year.

Section 8 governs the procedure for appointment including that the Council must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor.

Section 12 makes provision for the failure to appoint a local auditor. The Council would have to immediately inform the Secretary of State, who may direct it to appoint the auditor named in the direction or appoint a local auditor on behalf of the Council.

Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a sector-led body to become the appointing person. In July 2016 the Secretary of State specified PSAA as the appointing person.

Risk Management Implications

The principal risks are that Tandridge Council:

- fails to appoint an auditor in accordance with the requirements and timing specified in local audit legislation; or
- does not achieve value for money in the appointment process

These risks are considered best mitigated by opting into the sector-led approach through PSAA.

Equality

There are no direct equalities implications of this report

Climate change

There are no significant environmental / sustainability implications associated with this report.

Appendices

Appendix A – 2 November 2021 Committee Report

Appendix B – Tandridge Briefing Note - PSAA

Background papers

None

----- end of report -----

Appointment of External Auditors

Audit & Scrutiny Committee Tuesday, 2 November 2021

Report of: Anna D'Alessandro Interim Chief Finance Officer and Section 151 Officer ADAlessandro@tandridge.gov.uk

Purpose: To appoint the external Auditor for the accounts for the five-year period from 2023/24

Publication status: Unrestricted

Wards affected: All

Executive summary:

The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. The Council opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23.

PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28. During Autumn 2021 all local government bodies need to make important decisions about their external audit arrangements from 2023/24. They have options to arrange their own procurement and make the appointment themselves or in conjunction with other bodies, or they can join and take advantage of the national collective scheme administered by PSAA.

This report supports the Council's priority of: Building a better Council

Contact officer Anna D'Alessandro Interim Chief Finance Officer and Section 151 Officer ADAlessandro@tandridge.gov.uk

Recommendation to Committee:

It is recommended that the Committee accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023

Reason for recommendation:

If the Council wishes to take advantage of the national auditor appointment arrangements, it is required under the local audit regulations to approve the recommendation at Full Council. The opt-in period starts on 22 September 2021 and closes on 11 March 2022. To opt into the national scheme from 2023/24, the Council needs to return completed opt-in documents to PSAA by 11 March 2022.

Introduction and background

- 1 Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 requires that a decision to opt in must be made by Full Council. The Council needs to respond formally to PSAA's invitation in the form specified by PSAA by the close of the opt-in period (11 March 2022).
- 2 PSAA will commence the formal procurement process in early February 2022. It expects to award contracts in August 2022 and will then consult with authorities on the appointment of auditors so that it can make appointments by the statutory deadline of 31 December 2022.
- 3 The national opt-in scheme provides the following:
 - the appointment of a suitably qualified audit firm to conduct audits for each of the five financial years commencing 1 April 2023.
 - appointing the same auditor to other opted-in bodies that are involved in formal collaboration or joint working initiatives to the extent this is possible with other constraints.
 - managing the procurement process to ensure both quality and price criteria are satisfied. PSAA has sought views from the sector to help inform its detailed procurement strategy.
 - ensuring suitable independence of the auditors from the bodies they audit and managing any potential conflicts as they arise during the appointment period.
 - minimising the scheme management costs and returning any surpluses to scheme members.

- consulting with authorities on auditor appointments, giving the Council/Authority the opportunity to influence which auditor is appointed.
- consulting with authorities on the scale of audit fees and ensuring these reflect scale, complexity, and audit risk; and
- ongoing contract and performance management of the contracts once these have been let.

4 The Invitation

PSAA is now inviting the Council to opt in for the second appointing period, for 2023/24 to 2027/28, along with all other eligible authorities. Based on the level of opt-ins it will enter into contracts with appropriately qualified audit firms and appoint a suitable firm to be the Council's auditor. Further background information relating to PSAA's invitation are provided in Appendix A to this report.

Other options considered

- 5 If the Council did not opt in there would be a need to establish an independent auditor panel to make a stand-alone appointment. The auditor panel would need to be set up by the Council and the members of the panel must be wholly, or a majority of independent members as defined by the Act. Independent members for this purpose are independent appointees, excluding current and former elected Members (or Officers) and their close families and friends. This means that elected Members will not have a majority input to assessing bids and choosing to which audit firm to award a contract for the Council's external audit.
- 6 Alternatively, the Act enables the Council to join with other authorities to establish a joint auditor panel. Again, this will need to be constituted of wholly or a majority of independent appointees. Further legal advice would be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the Council would need to liaise with other local authorities to assess the appetite for such an arrangement.
- 7 These would be more resource-intensive processes to implement for the council, and without the bulk buying power of the sector-led procurement would be likely to result in a more costly service. It would also be more difficult to manage quality and independence requirements through a local appointment process. The council is unable to influence the scope of the audit and the regulatory regime inhibits the council's ability to affect quality.
- 8 The Council and its auditor panel would need to maintain ongoing oversight of the contract. Local contract management cannot, however, influence the scope or delivery of an audit.

- 9 The national offer provides the appointment of an independent auditor with limited administrative cost to the council. By joining the scheme, the council would be acting with other councils to optimise the opportunity to influence the market that a national procurement provides.
- 10 The recommended approach is therefore to opt into the national auditor appointment scheme.

Conclusion:

- 11 It is recommended that the Committee accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023

Key implications

Comments of the Chief Finance Officer

There is a risk that current external audit fee levels could increase when the current contracts end. It is clear that the scope of audit has increased, requiring more audit work. There are also concerns about capacity and sustainability in the local audit market.

Opting into a national scheme provides maximum opportunity to ensure fees are as realistic as possible, while ensuring the quality of audit is maintained, by entering into a large-scale collective procurement arrangement.

Comments of the Head of Legal Services

Section 7 of the Local Audit and Accountability Act 2014 requires the Council to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year.

Section 8 governs the procedure for appointment including that the Council must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor.

Section 12 makes provision for the failure to appoint a local auditor. The Council would have to immediately inform the Secretary of State, who may direct it to appoint the auditor named in the direction or appoint a local auditor on behalf of the Council.

Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a sector-led body to become the appointing person. In July 2016 the Secretary of State specified PSAA as the appointing person.

Risk Management Implications

The principal risks are that Tandridge Council:

- fails to appoint an auditor in accordance with the requirements and timing specified in local audit legislation; or
- does not achieve value for money in the appointment process

These risks are considered best mitigated by opting into the sector-led approach through PSAA.

Equality

There are no direct equalities implications of this report

Climate change

There are no significant environmental / sustainability implications associated with this report.

Appendices

Appendix A – Background to the PSAA Invitation

Background papers

None

----- end of report -----

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Briefing Note:

Appointment of External Auditors

On the 2nd November 2021 a report was sent to Audit and Scrutiny committee recommending “that the committee accepts Public Sector Audit Appointments invitation to opt into the sector led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023”.

As Local audit regulations mean that it is a full council decision and is not required until 11th March 2022, there was a request for more statistical and cost information before the committee could make a final decision.

It is difficult to add expected costs into the report as that will depend on the rates that suppliers bid. Other than the probability that fees will increase from the current level it is proving difficult for anyone to say with any certainty what the fees will be from April 2023 as there are too many variables and too much uncertainty. There is a general belief though that the collective procurement from the local government sector will provide better value compared to local smaller procurements.

A way to look at the costs and possible scenarios is to compare the previous external audit tender exercise.

In the last tender process (2018/19) 98% of authorities chose to opt in. Ten authorities made local arrangements and opted out (four were police and/or fire authorities and the City of London corporation also chose to make their own arrangements). The Authorities who made local arrangements were as follows:

| Authority name | Authority type |
|---|------------------------------------|
| Chief Constable of Essex | Chief Constable |
| City of London Corporation | London Borough Council |
| Cornwall Council | Unitary Authority |
| Council of the Isles of Scilly | Unitary Authority |
| East Hampshire District Council | District Council |
| Essex Fire Authority | Police Fire and Crime Commissioner |
| Essex Police Fire and Crime Commissioner | Police Fire and Crime Commissioner |
| Essex Police Fire and Crime Commissioner Fire Authority | Commissioner F and R Authority |
| Newcastle City Council | Metropolitan District Council |
| North Tyneside Council | Metropolitan District Council |

Two similar types of authorities to Tandridge District Council made local arrangements. The sample is very small as most opted in and it is not always easy to compare authorities, but it does at least give an indication of prices.

It should be noted that the scope of local audit is fixed and determined by statute and by accounting and auditing codes. It will be the same under any local procurement and the PSAA procurement.

For Tandridge District Council I have compared the following:

| Body Type Auditor | Tandridge District Deloitte £000 | East Hampshire District KPMG £000 | Isles of Scilly Unitary Grant Thornton £000 |
|----------------------------|---|--|--|
| Cost of Services | 13,601 | 18,893 | 6,970 |
| Deficit | 4,038 | (311) | 2,352 |
| Total CI&E | 1,969 | (1,854) | 9,143 |
| Long Term Assets | 415,803 | 197,458 | 33,318 |
| Net Assets | 258,937 | 16,509 | 23,810 |
| Useable Reserves | 27,653 | 41,906 | 5,029 |
| Audit Fees | | | |
| Fees | 36 | 70 | 40 |
| Grant Claims | 0 | 0 | 10 |
| Additional | 0 | 9 | 0 |
| Total Fees | 36 | 79 | 50 |
| % Indicative Saving | | 54% | 28% |

One of the comparable authorities is 40% larger in terms of cost of services and one is approximately 50% smaller. Audit fees paid were 119% and 39% higher than the fees paid by Tandridge.

Comparison between collective procurement and self-procurement:

The following table shows a comparison between Tandridge Audit costs and those of the above authorities who opted out and went down the self-procurement route.

APPENDIX B

| Body Type Auditor | Tandridge District Deloitte Opted In £000 | East Hampshire District KPMG Opted Out £000 | Isles of Scilly Unitary Grant Thornton Opted Out £000 |
|----------------------------|--|--|--|
| Audit Commission 17/18 | 56 | 54 | 57 |
| 18/19 vrs self procurement | 36 | 78 | 57 |
| 19/20 vrs self procurement | 36 | 64 | 62 |
| 20/21 vrs self procurement | 36 | 79 | 50 |

NB: All figures have been taken from published statement of accounts. Any unaudited statements may be subject to change if additional costs are deemed payable.

The table above shows that the audit base fee for Tandridge has reduced during the latest external audit contract whilst one of the comparators has increased and the other has marginally decreased.

Barry Stratfull
Chief Accountant – Surrey County Council

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Internal Audit Progress Report (January 2022)

Audit & Scrutiny Committee – Thursday 27 January 2022

Report of: Neil Pitman – Head of Southern Internal Audit Partnership
Neil.pitman@hants.gov.uk

Purpose: For information

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report provides an overview of internal audit activity against assurance work completed in accordance with the approved audit plan (2021-22) and to provide an overview of the outstanding management actions.

This report supports the Council's priority of: Building a better Council

Contact officer Anna D'Alessandro Interim Chief Finance Officer and Section 151 Officer ADAlessandro@tandridge.gov.uk

Recommendation to Committee:

That the Committee notes the Internal Audit Progress Report – January 2022

Reason for recommendation:

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee

Introduction and background

- 1 Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:
 - ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and
 - undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.
- 2 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee, summarising:
 - The status of 'live' internal audit reports (outstanding management actions);
 - an update on progress against the annual audit plan;
 - a summary of internal audit performance, planning and resourcing issues; and a summary of significant issues that may impact on the Chief Internal Auditor's annual opinion.
- 3 Appendix A summarises the activities of internal audit for the period up to January 2022.
- 4 The progress report provides a clear and transparent articulation of internal audit activity, performance, and outcomes during the period up to January 2022.

Key implications

Comments of the Chief Finance Officer

The Progress Report on Internal Audit provides the Council an important insight into areas of risk for the Council where its key processes are not functioning effectively, and their improvement must be prioritised. There are however no direct financial implications of this report.

Comments of the Head of Legal Services

The Accounts and Audit Regulations 2015 came into effect on 1 April 2015 and require councils to undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

The Progress Report on Internal Audit is intended to ensure that effective systems of internal control are in place. This protects the Council and its Officers and provides an assurance to stakeholders and residents regarding the security of the Council's operations.

Equality

In consideration of impacts under the Public-Sector Equality Duty the proposal within this report do not have the potential to disadvantage or discriminate against different groups on the community.

Climate change

There are no environmental / sustainability implications associated with this report.

Appendices

Appendix 'A' – Internal Audit Progress Report – January 2022

Background papers

None.

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Internal Audit Progress Report

January 2022

Tandridge District Council



**Southern Internal
Audit Partnership**

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| 3. | Performance dashboard | 5 |
| 4. | Analysis of 'Live' audit reviews | 6 |
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1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

2. Purpose of report

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

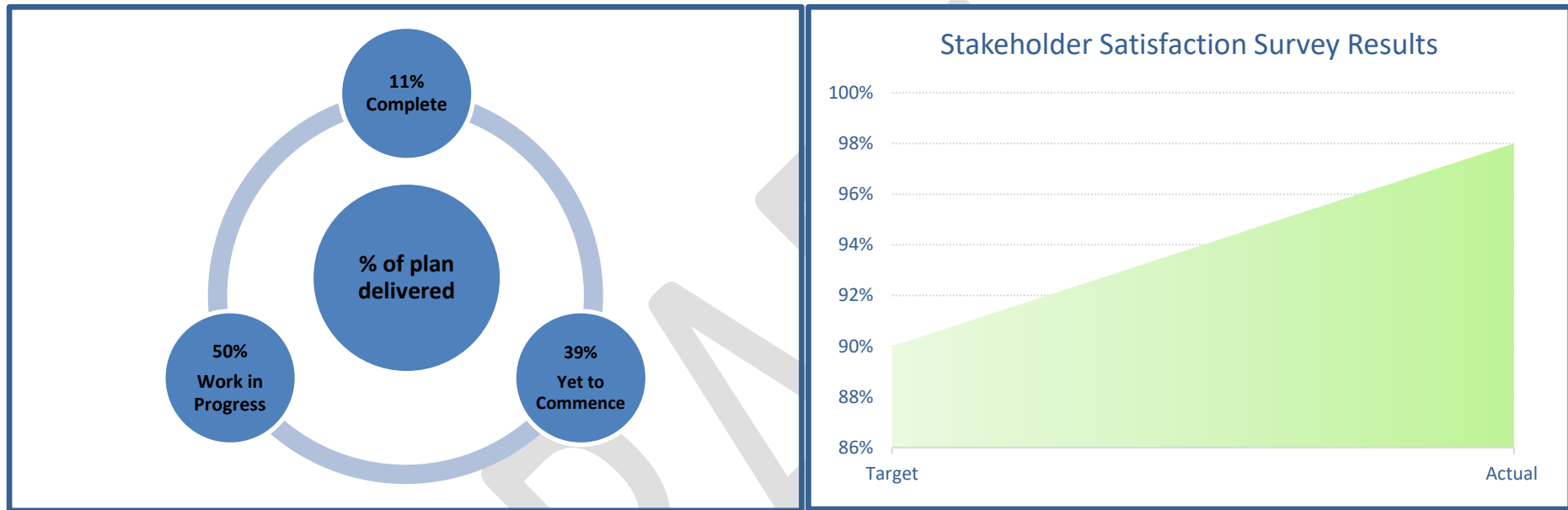
- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

| | |
|--------------------|--|
| 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. |
| 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. |
| 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. |
| No | 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. |

** Some reports listed within this progress report (pre 2020-21 audit plan) refer to categorisations used by SIAP prior to adoption of the CIPFA standard definitions, reference is provided at Annex 1*

3. Performance dashboard



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Compliance with Public Sector Internal Audit Standards

An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'


4. Analysis of 'Live' audit reviews

| Audit Review | Report Date | Audit Sponsor | Assurance Opinion | Total Management Action(s)* | Not Yet Due* | Complete * | Overdue | | |
|--|-------------|----------------|-------------------|-----------------------------|--------------|----------------|----------|-----------|-----------|
| | | | | | | | L | M | H |
| HR – Policies and Procedures | 04.06.20 | EHofCR | Limited | 5(5) | 0(0) | 0(0) | | | 5 |
| IT Disaster Recovery & Business Continuity | 06.07.20 | EHofCR | No Assurance | 11(11) | 0(0) | 7(7) | | | 4 |
| Council Tax | 02.10.20 | EHofC | Adequate | 5(2) | 1(0) | 4(2) | | | |
| NNDR | 20.10.20 | EHofC | Limited | 7(3) | 1(0) | 4(3) | | 2 | |
| Accounts Receivable & Debt Management | 26.10.20 | EHofCR & EHofC | Limited | 29(11) | 0(0) | 25(10) | | 3 | 1 |
| Customer First | 17.02.21 | EHofCR | No Assurance | 18(11) | 0(0) | 9(9) | | 7 | 2 |
| Procurement | 18.05.21 | HofLS | Reasonable | 3(0) | 0(0) | 2(0) | | 1 | |
| IT Asset Management | 14.06.21 | EHofCR | Limited | 9(0) | 5(0) | 4(0) | | | |
| Cyber Security | 01.07.21 | EHofCR | Limited | 10(4) | 0(0) | 8(3) | | 1 | 1 |
| Housing Benefits | 21.07.21 | EHofCR | Reasonable | 10(2) | 0(0) | 9(2) | | 1 | |
| Building Control | 28.07.21 | CPO | Limited | 20(13) | 6(3) | 9(6) | | 1 | 4 |
| Treasury Management | 30.07.21 | CFO | Limited | 5(2) | 0(0) | 3(2) | | 2 | |
| Information Governance | 11.08.21 | EHofCR | Limited | 14(7) | 4(1) | 8(4) | | | 2 |
| Grants Register | 18.08.21 | EHofC & CFO | No Assurance | 5(5) | 0(0) | 0(0) | | | 5 |
| Health & Safety | 27.08.21 | EHofCR & EHofC | No Assurance | 26(17) | 5(2) | 15(10) | | 1 | 5 |
| Annual Governance Statement | 02.12.21 | HofLS | Limited | 8(7) | 4(3) | 4(4) | | | |
| Total | | | | 185(100) | 26(9) | 111(62) | 0 | 19 | 29 |

*Total number of actions (total number of high priority actions)

5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There has been one new report published concluding a “limited” assurance opinion since our last progress report in September 2021.

| Annual Governance Statement | | |
|--|--|--|
| Audit Sponsor | Assurance opinion | Management Actions |
| Head of Legal Services & Monitoring Officer |  | <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: green; color: white; padding: 5px; border: 1px solid black;"> Low 0 </div> <div style="background-color: yellow; color: black; padding: 5px; border: 1px solid black;"> Medium 1 </div> <div style="background-color: red; color: white; padding: 5px; border: 1px solid black;"> High 7 </div> </div> |
| <p>Summary of key observations:</p> <p>This audit reviewed the process followed to produce the 2020/21 Annual Governance Statement and provide assurance that it complied with relevant legislation and guidance.</p> <p>Production of the 2019/20 Annual Governance Statement was assisted by a Local Government Association Consultant following a peer review by the Centre for Public Scrutiny published in July 2020 which was critical of the Council’s existing Annual Governance Statement and governance arrangements. While the format of the 2019/20 Statement satisfied legislative requirements, the version published on the Council’s website has not signed by the Chief Executive or Council Leader and does not contain a commitment from them to monitor implementation of action plans.</p> <p>Due to delays in the production cycle aligned with the Final Audited Accounts, audit fieldwork was carried out while the 2020/21 Annual Governance Statement was being drafted, some observations raised during fieldwork and contained within this report were subsequently actioned during the 2020/21 production cycle.</p> <p>The Programme Management Officer relied upon a process document provided by the LGA consultant to identify key production milestones and target dates to ensure the 2020/21 Annual Governance Statement would be produced in a timely manner and reviewed by the Corporate Improvement Board and Audit & Scrutiny Committee ahead of publication. This cycle was then used to inform a more formal production timetable for the 2021/22 Annual Governance Statement which also allows for formal review of progress against action plans published in the 2020/21 Annual Governance Statement.</p> <p>The prior year Annual Governance Statement contained an action plan to adopt a local code of corporate governance, bringing together in one place all elements of the Council’s governance system. Implementing a local code of corporate governance is a key building block of CIPFA’s Delivering Good Governance in Local Government Framework. A draft code was taken to Audit & Scrutiny Committee in January 2021, which the committee noted. However, the code has yet to be formally adopted.</p> | | |

A key source of assurance in the production of the Annual Governance Statement is the Statements of Assurance obtained from the Executive and Senior Leadership Teams, however, no process was in place to obtain and assess such statements at the time the fieldwork stage of the audit concluded.

The last draft of the 2020/21 Annual Governance Statement provided towards the end of audit fieldwork detailed the governance arrangements in place throughout 14 sections and also referenced several governance issues, such as the fact that the annual internal audit opinion was 'Limited' and an external review was ongoing to understand a budget imbalance of circa £920k. Although the internal audit opinion was referenced in Section 15 Conclusion, it is not stated as 'Limited' and is followed by a statement that assurance can be placed upon the adequacy and effectiveness of the Council's systems of internal control and governance without explaining how this assurance can be placed considering the governance issues raised elsewhere in the statement.

Although CIPFA guidance does not mandate a format for the annual governance statement, it does state that they should be aligned to the Seven Principles of Good Governance and demonstrate how the principles have been met. It also states that they should be short, focussed and employ graphics where possible. At present, the Council's Annual Governance Statement does not align to the Seven Principles or demonstrate how they have been met, is twenty pages long without considering Section 16 Action Plan Update and employs no graphics.

The 2019/20 Annual Governance Statement contained 73 action points. Those not marked as complete in that statement are referenced in the 2020/21 Annual Governance Statement with the Programme Management Officer maintaining a tracker to ensure that they are appropriately assigned, that progress is appropriately monitored, and that closure is confirmed and appropriately approved. However, review of the tracker, which was in the process of being amalgamated with a Corporate Improvement tracker at the time of fieldwork and acknowledged to be a work in progress, found that it was not sufficiently complete to give assurance that this process is being robustly managed.

6. Planning & Resourcing

The internal audit plan for 2021/22 was presented to the Executive Leadership Team and the Audit & Scrutiny Committee in March 2021.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

| Audit Review | Sponsor | Scoping | Audit Outline | Fieldwork | Draft Report | Final Report | Assurance Opinion | Comment |
|--|---------|---------|---------------|-----------|--------------|--------------|---------------------------|--------------------------------------|
| Corporate Governance | | | | | | | | |
| HR & OD - Follow Up | EHofCR | ✓ | ✓ | ✓ | | | | |
| Safeguarding | EHofCR | | | | | | | Scoping meeting booked for 19/1/2022 |
| Financial Resilience | CFO | | | | | | | Scoping meeting booked for 24/1/2022 |
| Contract Management | HofLS | ✓ | ✓ | ✓ | | | | |
| Risk Management | EHofCR | ✓ | ✓ | ✓ | ✓ | ✓ | position statement | |
| Fraud & Irregularities | CFO | ✓ | ✓ | ✓ | ✓ | | | Awaiting management response |
| Business Continuity & Emergency Planning | EHofCR | | | | | | | Scoping meeting booked for 16/2/2022 |
| Annual Governance Statement | HofLS | ✓ | ✓ | ✓ | ✓ | ✓ | Limited | |
| Programme/Project Management | EHofCR | ✓ | | | | | | |
| Financial Management | | | | | | | | |
| Housing Rents | EHofC | ✓ | ✓ | ✓ | | | | |

| Audit Review | Sponsor | Scoping | Audit Outline | Fieldwork | Draft Report | Final Report | Assurance Opinion | Comment |
|-------------------------------------|---------|---------|---------------|-----------|--------------|--------------|-------------------|--|
| Accounts Payable | CFO | | | | | | | Scoping meeting booked for 17/1/2022 |
| Accounts Receivable/Debt Management | CFO | | | | | | | Scoping meeting booked for 17/1/2022 |
| Main Accounting | CFO | | | | | | | Scoping meeting booked for 24/1/2022 |
| Income Collection | CFO | | | | | | | Scoping meeting booked for 22/1/2022 |
| Information Technology | | | | | | | | |
| IT Governance | EHofCR | ✓ | | | | | | |
| Data Management | EHofCR | ✓ | ✓ | ✓ | | | | |
| Service Reviews | | | | | | | | |
| Waste, recycling & street cleansing | EHofC | ✓ | ✓ | ✓ | | | | Incorporated as part of the Contract Management review |
| Development Management | CPO | ✓ | | | | | | |

| Audit Sponsor | | | | | |
|---------------|----------------------------------|-------|--------------------------|------|---|
| CE | Chief Executive | CFO | Chief Finance Officer | HofL | Head of Legal Services & Monitoring Officer |
| EHofCR | Exec Head of Corporate Resources | EHofC | Exec Head of Communities | CPO | Chief Planning Officer |

8. Adjustment to the Internal Audit Plan

There have been no amendments to the plan to date.

Tandridge District Council Assurance Opinions (Pre 2020-21)

| | |
|--------------------|---|
| Substantial | A sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified. |
| Adequate | Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified. |
| Limited | Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk. |
| No | Fundamental weakness identified in the framework of internal control or the framework is ineffective or absent with significant risks to the achievement of system objectives. |

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Project Management Review

Audit & Scrutiny Committee Thursday, 27 January 2022

Report of: Executive Head of Communities

Purpose: For decision

Publication status: Open

Wards affected: All wards

Executive summary:

At the meeting of the Audit & Scrutiny Committee on 2 November 2021, the Committee requested that a report be brought to the meeting of the Committee on 27 January 2022 regarding the weaknesses of project management within the Council.

Concerns had been raised by Committee Members as to whether the current project management processes are fit for purpose or being followed.

The purpose of this report is to provide an overview of project management and the steps that are being taken to improve such processes in the future.

This report supports the Council's priority of: Building a better Council

Report author William Mace (Presented by Yvonne Morland)

Contact officer Yvonne Morland Policy, Performance & Projects Specialist
ymorland@tandridge.gov.uk

Recommendation to Committee:

That Committee notes and agrees the report and that updates be brought to all future meetings of Audit & Scrutiny, either written or verbal, until such time that the Committee is satisfied that project management has improved at the Council.

Reason for recommendation:

This recommendation will ensure that improvements to project management within the Council receives sufficient Committee oversight which should, in turn, lead to the improvement of running of projects which lead to a reduction in project cost and risks.

Background

1. From 2016 to 2019 the Council undertook a programme to transform its services, "Customer First".
2. An audit of Customer First began in Nov 2019. The final report was issued in February 2021. The report highlighted weaknesses in the project management of Customer First. The management actions related to governance, documentation and training.
3. The report cited an earlier project management audit in 2017 – 2018 and stated that no evidence was provided that demonstrated the agreed actions had been implemented.
4. However, in 2019 a governance structure for the Council was produced. This assigned responsibility for project management to the Policy, Projects & Performance team, which had dedicated project management Officers. It also made provision for four (policy) committee project boards.
5. The purposes of the project boards, as documented in their terms of reference, were to:
 - a. Review projects and progress against objectives
 - b. Ensure projects are kept on track and on budget
 - c. Agree any changes to project scope
 - d. Make additional resources available, where appropriate
 - e. Review risks on a regular basis, both project and committee risks
 - f. Raise other committee-related issues which need addressing and undertaking.
6. Project management document templates and a project management handbook were created throughout 2018.
7. Around 2020 to 2021 the Council's senior management underwent significant changes including two interim chief executives. The Council also commissioned reviews of its governance and consultants to assist with progressing resultant corporate improvements.
8. Following an external review of the Council's governance, LGA consultants in 2020 – 2021 proposed and put in place new governance arrangements. These saw the replacement of the existing project boards with departmental leadership team meetings and the notion that projects would have their own

standalone boards. The Policy, Projects & Performance team was also disbanded with the Officers distributed to the Resources and Communities Directorates, sitting under the executive leads for those departments.

9. Given the timings between the implementation of Customer First to the management changes, the project management initiatives undertaken during this time did not become fully embedded due to the organisational instability.
10. The end of the last consultant's term was March 2021. Since then corporate project management has been assigned to the Programme Management Officer (PMO) alongside other duties. This position is now vacant, and a decision is yet to be made regarding recruitment. In the meantime, the work of the PMO is being shared amongst several colleagues along with their other day-to-day duties.

Key findings

11. Again, the recent governance changes in this area have not become fully embedded to date. Thus, consistent project management practices and corporate monitoring still require further development. It is for this reason that some of the Customer First audit actions remain outstanding.
12. However, that is not to say that there are no project management practices in place at present, and several officers do have relevant experience and qualifications.
13. Members will see from Appendix A excerpts from the two corporate actions trackers, which contain project management improvement actions.

What we are doing to improve

14. In brief, project management as a whole, is being reviewed at present. The central aim is to define what is best practice for the Council, being a relatively small authority with limited budget, resources and capacity. Following this, priorities will be ensuring that all relevant Officers are sufficiently trained in this approach, and, confirming that robust governance in place to support it.
15. Four out of the seven Customer First audit actions related to project management have been completed. These relate to agreeing a set of standard documentation for all projects and ensuring all key documents are stored in easily accessible central repositories.
16. The three ongoing actions relate to a review of all major projects and programmes to ensure appropriate documentation is in place, and review of project management skills and training.
17. The master list of corporate projects has been a key focus for the PMO. It is now near completion. Legacy projects are being formally closed and each active project is being checked to ensure key documentation is in place. From

the end of October 2021, any projects that have not completed requisite documentation will be reported to the Executive Leadership Team alongside corporate performance reporting.

18. To address the skills / training actions a project management community of practice has been established. The group's objectives, as set out in the terms of reference, are to:
 - a. Ensure a consistent approach to project / programme management is practiced across the Council (including progress reporting and risk management);
 - b. Periodically review project management document templates;
 - c. Periodically review project management processes (e.g. corporate approach to PM methodology, project reporting mechanism);
 - d. Identify PM training needs in the Council;
 - e. Submit recommendations to the Corporate Improvement Board as necessary.
 - f. The set agenda also includes an item on lessons learned from recently closed projects.
19. By delivering these objectives the group will be able to define best practice for the Council and then highlight where any further training is required.
20. Furthermore, the Project Management Handbook is being updated to account for: current governance structures, the developing view of best practice, the process for commissioning projects, and what key documentation should be completed through the project lifecycle. Initial updates have been made, it will soon be sent to the project management group and executive team to review.
21. To add additional project oversight, the latest governance changes have been adapted whereby the Council is trialling:
 - a. Standalone project boards for the Communities and Planning departments.
 - b. Project reporting to the Resources departmental leadership team meeting.
22. The comparison between both approaches will enable the Council to ascertain the most effective way for each department to maintain oversight of its projects.
23. Projects are also expected to comply with the new corporate risk management strategy.
24. Further actions the Council is considering / progressing as part of the project management review are:
 - a. Scoping a corporate project board, which would sit above the departmental project boards. This arrangement would enable departments and the management team to cross-check and scrutinise the work of the departmental project boards.

- b. Detailed review of the scheme of delegation to formally establish project approval criteria.
- c. Further development of the business case section of the Project Initiation Document (PID). Various examples are currently being reviewed.
- d. Put in place project management champions. Proposed that this could be achieved via formally recording specific officers with project management expertise in each department (Communities, Planning and Resources). These champions would also be members of the project management group.
- e. Refinements to capacity and resource planning. Once complete, the corporate programme plan will be an effective tool for departments to assess their capability to deliver new projects. Projects in the plan are to be prioritised according to size, complexity, risk, resource and governance requirements. New service plans for each department and team will also be produced to assist with this. The PID template provides provision for resourcing requirements to be stipulated and a resourcing statement of assurance for the PID author to sign. The PID also includes a section on project funding. Direct £ values are relatively straightforward to provide in this section, hence what we are assessing at present is how best to account for the opportunity cost of officer time spent on projects, given the policy and projects team has now been disbanded.
- f. Assess training needs for project sponsors.

Key implications

Comments of the Chief Finance Officer

The report follows on from previous structures and feedbacks on prior projects outcomes and learning points. These projects were service centric and would have indirectly support any prior savings plans. If there are any financial implications, they would either be reported within the revenue positions or part of any capital related project.

Comments of the Head of Legal Services

The Council undertakes a large amount of project management and there is a necessity to ensure that there is an ongoing drive to improve standards and to strengthen areas where required. In the context of having reduced Officer resources there is a challenge to ensure that the management of projects is as efficient as possible. This includes the project management as well as the governance, decision making and assurance. To avoid the Council from falling behind on any outstanding actions, the Council does need to move forward with its decision regarding resourcing the PMO function.

Climate change

All proposals that would impact on the Council's commitment to climate change which will be reported in individual future project reports to committees.

Appendices

Appendix A – Corporate Tracker Excerpts

Background papers

None

----- end of report -----

Appendix A – Corporate action tracker excerpts

Internal Audit Tracker

| Ref. | Action Description | Priority | Audit Source Document | ELT Lead | Due Date | Status | % Complete | Progress Update Q3 - 2021/22 |
|------|--|----------|-----------------------|----------|------------|---------|------------|---|
| 20 | Carry out a skills audit on programme managers | Medium | Customer First | CE | 31/03/2021 | Delayed | 47% | <p>* 05/01/22 – Current PPM lead departing TDC 5/1/22, new lead will confirm TDC project management group members ahead of arranging training for them on key principles / approaches to PPM, which relates to the TDC handbook.</p> <p>* 25/10/21 - First TDC project management (PM) group held 14/10/21. This yielded useful feedback on TDC PM, and work has commenced on 'best practice' at TDC via updating of PM handbook.</p> |
| 21 | Provide training for all programme/project managers who have not received it | Medium | Customer First | CE | 30/06/2021 | Delayed | 20% | * 05/01/22 – as per Action 20. |

Corporate Improvement Plan

| Action Ref. | Action Description | Priority | ELT Lead | Due Date | Progress update |
|-------------|---|----------|----------|----------|--|
| 79 | Update Project Management Handbook | High | CFO | tbc | * 05/01/22- updated by current PMO who is leaving TDC 05/01/22. Will be reviewed and submitted for management approval by new lead PPM officer. |
| 80 | Confirm most effective corporate project board arrangements given new governance structures. For instance a corporate board and DLT boards. | High | CFO | tbc | * 05/01/22 – Resources DLT still incorporating project updates into DLT meetings, while Communities and Planning have separate. Advise that the new management team arrangements include, as part of the set agenda for MT, a PPM agenda item where corporate projects/programmes can be randomly called in by MT to |

| | | | | | |
|----|---|--------|------|-----|---|
| | | | | | review the latest progress update. New lead officer to follow-up. |
| 81 | Review scheme of delegation to ascertain appropriate sign-off levels for new corporate projects. | High | HofL | tbc | * 05/01/22 – interim criteria for commissioning projects put forward in updated handbook. HoL to advise when a more detailed review of the scheme of delegation can take place. New lead PPM officer to follow-up with HoL. |
| 82 | Review and amend business case section of Project Initiation Document (PID) template. | Medium | CFO | tbc | * 05/01/22 – to be reviewed / updated by new lead officer. |
| 83 | Confirm list of project management champions within the Council. | Medium | CFO | tbc | * 05/01/22 – expect these individuals to be members of the TDC Project Management Group, new lead officer to confirm at next meeting in March 2022. |
| 84 | Review and amend financial cost / opportunity cost of resourcing (people) for projects. | Medium | CFO | tbc | * 05/01/22 – simple approach to calculating this has been included in the latest update of the handbook. Advise that it is reviewed by the new lead officer ahead of the handbook being submitted for approval. |
| 85 | Conduct project management training needs assessment for project sponsors. | Medium | CFO | tbc | * 05/01/22 – to be arranged by new lead officer. |

Performance Exceptions Report

Audit & Scrutiny Committee Thursday, 27 January 2022

Report of: Chief Finance Officer (Section 151)

Purpose: For information

Publication status: Open

Wards affected: All

Executive summary:

- This is an exception report on the Council's four policy committees' performance and risk management. The aim is to support Audit & Scrutiny Committee to monitor the Council's performance and delivery of quality services.
- Due to the timings for the submission of committee reports, written updates on the actions, the different policy committees are taking with respect to their exception performance and risk, will not be available. The relevant committee meeting reports and minutes can be viewed online. Verbal updates will be provided at the respective committee by Officers, wherever possible.

This report supports the Council's priority of:

Building a better Council

Contact officer Nikki Tagg - Projects Specialist
NTagg@tandridge.gov.uk

Recommendation to Committee:

'A' – That the policy committees' performance and risk exceptions for Quarter 2 2021/22 be accepted.

Reason for recommendation:

'A' – To support the Committee to monitor performance and risk at the Council.

1. Introduction and background

1.1. The Committee's terms of reference include reviewing and scrutinising "the decisions and performance of the Council".¹ In addition, Section xiii of the 'terms' state that the Committee will:

"Monitor the Council's performance against targets which seek to ensure the provision of cost effective, quality services to the community (as part of the Council's own performance management regime)".²

1.2. The Committee now receives a performance and risk exception report for each policy committee: Community Services, Planning Policy, Housing and Strategy and Resources.

1.3. Due to the committee dates and associated report timelines, it is not possible to include each policy committees' responses to the off-target performance indicators and 'red' rated risks. Therefore, readers are advised to review the reports listed in Section 2, and Officers will provide verbal updates on the outcome of the preceding policy committees wherever possible.

1.4. The criteria for performance indicators and risks to be included in this report can be found in sections 3.1 and 4.1 respectively.

2. Policy committees' performance and risk reports

2.1. The most recent performance and risk reports for the policy committees can be found via the following links. Note they are links to the relevant committee meeting agenda. Therefore, readers should look for the 'performance report' on the agenda:³

¹ Overview & Scrutiny Committee (2020) *Proposed Changes to the Terms of Reference and Name of the Committee*, p. 3. Online available: <https://tandridge.moderngov.co.uk/documents/s792/ToR%20and%20Committee%20name.pdf> [Last accessed 16/06/2021].

² Overview & Scrutiny Committee (2020) *Minutes*, p. 1. Online available: <https://tandridge.moderngov.co.uk/documents/g898/Public%20minutes%2030th-Jul-2020%2019.30%20Audit%20Scrutiny%20Committee.pdf?T=11> [Last accessed 16/06/2021].

³ Due to the Council's committee report timelines, a more direct link cannot be provided as the reports may not be uploaded to the website before this report has been drafted.

[Community Services](#)

[Planning Policy](#)

[Housing](#)

[Strategy and Resources](#)

3. Performance Headlines

- 3.1. The following performance headlines have been included on the basis that a target has not been met for at least two Quarters.⁴
- 3.2. Note: up-to-date commentaries on the policy committees' responses to these headlines are not available in writing, due to the timing of this reports publication. Verbal updates will be provided during the committee wherever possible.

3.3. Community Services

- 3.3.1. Percentage of roads, footpaths & public open spaces which meet the environmental cleanliness standard – off by 1%. Quarter 2 = 92%, Target = 95%.
- 3.3.2. Percentage of establishments with a rating of 3 or better under the food hygiene rating scheme – off by 7.96%. Quarter 2 = 87.04%, Target = 95%. *
- 3.3.3. Note: Quarter 2 continues to report new performance graphs for the Council's waste collection service, as per the new performance framework. As the performance data is still being cleansed and targets are to be reviewed, no exceptions are included in this report. *

3.4. Planning Policy

- 3.4.1. Similarly, to the previous exception report, trend data for Planning is not currently available, as data gathering and reporting systems are being reviewed as part of the Council's improvement project. Officers recommend viewing the Planning Policy report (link above) for further information. *

⁴ The figures for the most recently reported quarter, and the quarter preceding it, will be used to determine whether an indicator is included in this section.

3.5. Housing

- 3.5.1. Average time taken to re-let local authority sheltered housing (days) – off by 56.5 days. Quarter 2 = 85.5 days, Target = 30 days. *
- 3.5.2. People in 'Urgent Need' (Bands A & B) on the Housing Register – off by 126 people. Quarter 2 = 401 people, Target = 275 people. *

3.6. Strategy & Resources

- 3.6.1. Staff Sickness (long & short term) – off by 1.69. Quarter 2 = 8.79 days, Target = 7.1 days. *
- 3.6.2. Percentage of calls answered by Customer Services within 60 seconds – off by 44.7%. Quarter 1 = 35.3%, Target = 80%.
- 3.6.3. Number of Overdue Complaints – off by 6 complaints. Quarter 2 = 7 overdue complaints, Target = 1 overdue complaints.
- 3.6.4. Number of Overdue Freedom of Information Requests (FOIs) – off by 21 FOIs. Quarter 2 = 25, Target 4.

* Described as significant risk by Audit & Scrutiny Committee Member in consultant with relevant Policy Committee Chairman.

4. Risk Headlines

- 4.1. The following risk headlines have been included on the basis that a risk has remained 'red' on one of the Council's committee published risk registers for at least two Quarters.
- 4.2. If a risk arises as part of an audit report but is not featured in this report, it will be due to (a) the lead time between the audit report being published and the next internal risk register review, and / or (b) the risk not being red for two consecutive quarters on the relevant committee register.
- 4.3. The Council uses the following risk matrix:

| | | | | | | |
|------------|-------------|---|--------|--------|------|-----------|
| Likelihood | Very Likely | 4 | 4 | 8 | 12 | 16 |
| | Likely | 3 | 3 | 6 | 9 | 12 |
| | Possible | 2 | 2 | 4 | 6 | 8 |
| | Unlikely | 1 | 1 | 2 | 3 | 4 |
| | | | 1 | 2 | 3 | 4 |
| | | | Low | Medium | High | Very High |
| | | | Impact | | | |

4.4. 'Red' risk headlines:

4.5. Corporate Risk Register

- 4.6. Local plan is found unsound by the Inspector (Planning Policy). *
- 4.7. Lack of resources constrains the Council's "business as usual" capacity (Strategy & Resources). *
- 4.8. Lack of capacity in Planning Department negatively impacts performance and delivery of service, such as determining applications in statutory timeframes and managing complaints and FOIs (Planning Policy). *
- 4.9. Inability of Council to make savings as identified in the Medium Term Financial Strategy and to balance the Council Budget in 2021/22 and 2022/23 (Strategy & Resources). *

4.10. Community Services Risk Register

- 4.10.1. Trespass on council land leading to damage and nuisance.

4.11. Planning Policy Risk Register

- 4.11.1. Lack of five-year housing land supply, including gypsy and traveller land.*
- 4.11.2. Local Plan is found unsound by the Inspector. *
- 4.11.3. Lack of capacity in Planning Department negatively impacts performance and delivery of service, such as determining applications in statutory timeframes and managing complaints and FOIs. *
- 4.11.4. Failure to determine a planning application within the statutory period. *
- 4.11.5. Significant increase in number of complaints and FOIs related to planning. *
- 4.11.6. Local Plan needs further evidence, topic papers or main modifications prior to considering it sound dependent on how Council chooses to progress the plan following receipt of Inspector's letter. *
- 4.11.7. Lack of capacity in strategy team delays progress in planning policy workstreams. *
- 4.11.8. Budget constraints in defending Public Inquiry appeals. *

4.12. Housing Risk Register

- 4.12.1. No applicable risks.

4.13. Strategy and Resources Risk Register

4.13.1. Inability to maintain high standards of delivery for statutory services. *

** Described as significant risk by Audit & Scrutiny Committee Member in consultant with relevant Policy Committee Chairman.*

5. Debt

5.1 The Chair and Vice Chair of the Audit & Scrutiny Committee have raised questions regarding the impact of debt on the Council. This is considered appropriate for exception reporting in this Performance Report as it relates to the ability of the Council to mitigate the red risks on the Corporate Risk Register. In particular, to the performance of "business as usual".

5.2 The Independent Report of the Council's Financial Management and Reporting arrangements will be issued to Strategy and Resources Committee as part of the Budget papers on 1st February. It has been looking at debt and to strengthen governance arrangements and will potentially support a business case to be taken to Strategy and Resources Committee on 7th April. The answers to the questions raised by the Chair and Vice Chair are attached as Appendix A. The Council's debt position is included as Appendix B.

6. Comments of the Chief Finance Officer

- 6.1. There are no direct financial implications arising from this report. However, the risks identified in the Corporate risk registers reported to individual policy committees and their mitigating actions may lead to additional resources and cost implications for the Council if they come to pass. The red risk headlines reported above represent the most severe risks to the Council with the greatest impact.
- 6.2. The key risks, their likelihood, impact and mitigation are identified in the Risk Register appendices reported to policy committees with each risk allocated to a risk owner. Officers will continue to monitor operational risks and will look to escalate these if necessary.
- 6.3. Once identified, the impact of any additional cost pressures to reduce risk and / or improve performance will be shown in the monthly budget monitoring reports.

7. Comments of the Head of Legal Services

7.1. There is no statutory duty to report regularly to Members on the Council's performance, however, as a best value authority under the Local Government Act 1999, the Council has a statutory duty to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness. Regular reporting of performance can assist the Council to demonstrate best value. Such a report can also inform Members of how the Council is delivering on its key objectives across all policy committees, hold Officers to account and steer improvement activity where necessary.

8. Equality

8.1. This report contains no proposals that would disadvantage any particular minority groups.

9. Climate change

9.1. This report contains no proposals that would impact on the Council's commitment to climate change.

10. Appendices

Appendix A – Answers to Questions raised by Chair & Vice Chair of Audit & Scrutiny to the Council's Debt Position

Appendix B – Current debt position

11. Background papers

11.1. None.

----- end of report -----

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Sundry Debt

What measures are we taking to recover it?

- Following the Agresso Health Check in August/September 2021 a programme of improvement work started on 17th January 2022, detailed below are some related areas of activity:
 - Improved reminders with new more focused narrative
 - Improved direct debit processes
 - Automation of periodical invoicing
 - Ability to tag status of debt
 - Improved reporting e.g., monitoring, volumetrics and KPI's
- An improved aged debt report for sundry debt has been developed and is now despatched monthly to key stakeholders in Tandridge to highlight the current outstanding debt position and to start to track and monitor outstanding debt
- An Exchequer Working Group was formed in December 2021 as part of the transformational work with cross-service department representation to start to work more collaboratively to improve the collection of income and the payment of suppliers
- Monthly meetings are now taking place between the Exchequer team and the Business and Income team
- Preparing a business case to seek extra resource to review and clear the old outstanding debt and continue to work on improving systems and processed

How might we ensure that we're able to prevent such debt accumulating into the future?

- Resource required to review and clear old debt
- Sufficient resource to monitor and recover on-going debt
- Continue with the regular aged debt reports and joint working approach with service departments, via regular meetings and Exchequer Working Group
- Resource must be focused in the right areas e.g., agreed standard for raising invoices so that they are clear, recovery action appropriate for the value of the income due
- Reminders generated at least fortnightly
- Regular customers encouraged to pay by direct debit
- Clear and regular write-off process for unrecoverable debt
- Reset of roles and responsibilities with service departments
- Establish a standard set of procedures
- Establish a process to capture and prioritise continuous improvement activity
- Sufficient resource to monitor and recover on-going debt

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Tandridge District Council outstanding debt totals

| Tandridge District Council outstanding debt totals | | | | | | Other information | | | |
|--|--------------------------------|--|--|--|--|-----------------------------------|---------------------|-------------------|--|
| Service | Council fund | Outstanding as at 31/01/2021 (unless otherwise stated) | Outstanding as at 31/10/2021 (unless otherwise stated) | Outstanding as at 30/11/2021 (unless otherwise stated) | Outstanding as at 30/12/2021 (unless otherwise stated) | System used | Responsible Officer | Annual collection | Relevant notes |
| Housing Benefit Overpayments | Housing General Fund | 1,447,215.10 | 1,469,692.33 | 1,393,442.72 | 1,368,889.77 | Capita and NEC (Northgate) | James Devonshire | £18m | Debts dated up to 31/08/2021 in Capita, debts from 01/09/2021 in NEC (Northgate) |
| Sundry Debts * | General Fund - corporate items | 2,038,887.18 | 2,486,348.72 | 1,449,128.87 | 1,464,155.36 | Agresso | Vacant S151 | | Includes commercial rents, former Council tenant debt, leaseholder expenses debt and repairs recharges. |
| General Fund - sub total | | 3,486,102.28 | 3,956,041.05 | 2,842,571.59 | 2,833,045.13 | | | | |
| Council Tax arrears | Collection funds** | 2,202,143.20 | 4,300,530.10 | 3,267,992.00 | 2,791,629.60 | Capita and NEC (Northgate) | James Devonshire | £79m | Please note this figure is the accumulated arrears as at 31st March each year. Our collection rate currently 97%. |
| National Non-Domestic Rates | Collection funds** | 378,403.99 | 832,606.21 | 573,823.09 | 527,963.52 | Capita and NEC (Northgate) | James Devonshire | £30m | Please note this is the accumulated arrears as at 31st March each year. Our collection rate was 95% last however the last 5 years have averaged above 97%. |
| Current tenant rent arrears (HRA) | Housing Revenue Account | 438,721.32 | 372,258.86 | 362,750.24 | 371,597.31 | Orchard (Housing Revenue Account) | James Devonshire | £15m | Approximately 72% of rent accounts in arrears owe in excess of £1,000.00 |
| Non General fund sub-total | | 3,019,268.51 | 5,505,395.17 | 4,204,565.33 | 3,691,190.43 | | | | |
| Grand total | | 6,505,370.79 | 9,461,436.22 | 7,047,136.92 | 6,524,235.56 | | | | |

* Sundry Debts - the o/s position in column 30/11/2021 was run on as at 07/12/2021, and the o/s position in column 31/12/2021 was run on 04/01/2022.

**In relation to collection funds, Tandridge do not budget for this income and only bear circa 15% of outstanding sums

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