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To: MEMBER OF THE AUDIT & SCRUTINY COMMITTEE
Councillors Gillman (Chair), Allen (Vice-Chair), Booth,
Botten, Chotai, Cooper, Flower, Mansfield, North, C.White
and N.White

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Substitute Councillors: Bilton, S.Farr, Bloore and
Pursehouse

C.C. All Other Members of the Council

15 February 2023

Dear Sir/Madam

AUDIT & SCRUTINY COMMITTEE THURSDAY, 23RD FEBRUARY, 2023 AT 7.30 PM

The agenda for this meeting of the Committee to be held in the Council Chamber, Council Offices, Station Road East, Oxted 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 6 December 2022 (Pages 3 - 6)**
- 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. **External Audit - 2020/2021 accounts update report** (Pages 7 - 28)
7. **Internal Audit Progress Report - February 2023** (Pages 29 - 42)
8. **Annual Governance Statement 2021/22** (Pages 43 - 104)
9. **Future Tandridge Programme Update - February 2023** (Pages 105 - 124)
10. **Complaints and Freedom of Information Requests update** (Pages 125 - 134)
11. **Any urgent business**

To deal with any other item(s) which, in the opinion of the Chair, should be considered as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972.

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 6th December 2022 at 7:30pm.

PRESENT: Councillors Gillman (Chair), Allen (Vice-Chair), Booth, Chotai, Flower and N.White

PRESENT (Virtually): Councillors Mansfield and S.Farr (Substitute in place of C.White)

ALSO PRESENT (Virtually): Councillor C.Farr

APOLOGIES FOR ABSENCE: Councillors Botten, Cooper, O'Driscoll and C.White

188. MINUTES OF THE MEETING HELD ON 27 SEPTEMBER 2022

The minutes were confirmed and signed as a correct record.

189. EXTERNAL AUDIT - 20/21 ACCOUNTS

The Chief Accountant for the Council, Barry Stratfull, presented the report to the Committee. It was noted that it had not yet been possible to finalise the 2020/21 accounts. Consequently, the Committee were receiving an update on the current position of the closing of the accounts.

Significant progress has been made on the accounts since the last meeting of the Committee and only a small number of minor items remained outstanding. The main area of delay related to the Collection Fund. Once these issues had been resolved a revised set of statements would be brought to Committee along with the final audit report for approval.

Michelle Hopton from the Council's external auditor Deloitte provided further information on the progress that had been made and the outstanding issues that needed to be resolved. The main issues included:

Collection Fund Testing

Due to a change in the Council's Revenues and Benefits system it was not possible to provide additional audit evidence being requested by Deloitte. Alternative methods as to how the evidence could be supplied were currently being explored which would provide the assurance required. It was noted that the detailed breakdown of evidence being sought by Deloitte had not been requested in the past. However, the evidence was needed as Covid had had a significant impact on the balances and movements in the Collection Fund and had made the usual analytical review less reliable.

It was noted that the Council was now out of contract with the former supplier of the Revenues and Benefits system and therefore it was not possible to go back to them to request the required data irrespective of costs.

The Committee had continuing concerns regarding the external audit process and the delays that were preventing the accounts being completed. A specific concern was raised regarding the lack of dialogue with Deloitte about the evidence they would require for the audit and whether the change of system would impact on its provision. It was accepted that there should have been more dialogue with Deloitte during the new system implementation to make sure all

necessary reports were obtained. It was noted that the 2019/20 accounts had been signed off since the new system had been installed without having to provide the additional evidence. However, it was agreed that additional questions would be asked of external auditors when changing key systems in the future.

Unadjusted Misstatements

Deloitte's update report requested that the Committee ask management to correct identified unadjusted misstatements as required by the ISAs (UK). However, it was noted that this was only an update report and it may be preferable to defer this discussion until a final report has been provided. It was confirmed that the misstatements were not material to the audit or the statement of accounts and therefore consideration should be given as to whether the adjustments were necessary. Deloitte confirmed that, if the adjustments were not made, it would not prevent an unqualified audit opinion from being given.

In response to Members questions, the Committee was advise that:

- it was the intention that the accounts would be finalised as soon as the Collection Fund issue was resolved and every avenue to was being explored in order to obtain a clean set of accounts for 2020/21. Currently, it was difficult to say with confidence when this would be possible.
- it would only take a short time to provide a qualified audit opinion if this was deemed necessary. However, both the Council and Deloitte would still like to explore all avenues for providing a clean set of accounts before taking this step.
- the Committee would be advised of progress on the external audit in advance of the next committee meeting.

R E S O L V E D – that the current position with regard to the Statement of Account 2020/21 be noted and confirm the deferment of the proposed audit adjustments (as set out at pages 24 and 25 of the agenda pack).

190. INTERNAL AUDIT PROGRESS REPORT - DECEMBER 2022

Natalie Jerams of the Southern Internal Audit Partnership ("SIAP") presented a report which provided an overview of:

- the current 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.

The Committee received the following updates on outstanding management actions:

- The audit reviews for Treasury Management and Disabled Facility Grants had been completed to date. Both had received an assurance opinion of reasonable.
- There had been two adjustments to the Internal Audit Plan which had not been considered as significant. IT Application Management had been added to the plan. Two audits had been removed from the plan with IT Business Continuity being deferred to 2023/24 and Human Resources and OD being considered as part of the 2023/24 planning.

It was noted that the current outstanding audit actions were also being reviewed as some of them were dependent on each other and therefore could be simplified.

It was also noted that a new Health and Safety Specialist was being recruited who it was anticipated would be shared with another Council as a full time role was not required.

RESOLVED – that the Committee notes the Internal Audit 2022/23 Progress Report for November 2022.

191. AUDIT & SCRUTINY COMMITTEE - FUTURE TANDRIDGE PROGRAMME UPDATE - SEPTEMBER 2022

Following an introduction by the Chief Finance Officer summarising the current position of the Future Tandridge Programme (“FTP”) Ricky Fuller, the Programme Manager, presented a report setting out the current position of the governance and risk arrangements relating to the FTP, with a view to ensuring that the savings target set out in a recent report to the Strategy & Resources Committee and improvements to the Council’s services were delivered.

An overview was provided on the three levels of governance relating to the FTP, being ‘Member Level’, ‘Programme Level’ and ‘Workstream/Project Level’. A brief overview of the approach to risk management was provided in section 3 and Appendix B of the report.

The Chair stated that he was concerned about the risk of the interdependencies between the various activities as there didn’t appear to be a plan or a top level flow diagram which shows the critical path of the FTP. It was noted that this was a high priority being worked on currently and that there were arrangements in place to identify interdependencies. The Chair also had concerns regarding the reference to mitigation actions in the report but noted that these were also currently being reviewed.

RESOLVED – that the Committee:

- (1) note the direction of travel for the FTP, the savings identified for delivery in 2023/24 and the associated business cases set out in the report to the S&R Committee on 1st December.
- (2) note the governance structure established to oversee the programme, including the alignment between savings and benefit delivery and continuing organisational development.
- (3) note the proactive approach to risk management being applied and the current programme level risks identified in Appendix B.

192. COMPLAINTS AND FREEDOM OF INFORMATION UPDATE

The Committee received a report that set out details of the complaints and Freedom of Information requests received by the Council in the last quarter (1 July to 30 September 2022). The report also provided an update on the Council’s approach to managing complaints and what lessons had been learnt from recent experiences.

The Committee were informed that there had been:

- 8 complaints about council tax, with one progressing to stage 2.
- 5 complaints for community surveyors, with two progressing to stage 2.

- 4 complaints for planning, with one at stage 2.
- 6 complaints were considered by the LGSCO, of which three were for housing and three for planning.
- 176 Freedom of Information requests.

It was noted that work had started on the preparation of data sets to try and reduce the time taken in responding to Freedom of Information requests.

RESOLVED – that the Committee note and accept the report.

Rising 8.40 pm

External Audit - 2020/2021 accounts update report

Audit & Scrutiny Committee Thursday, 23rd February 2023

Report of: Chief Finance Officer (Section 151)

Purpose: For note

Publication status: Unrestricted

Wards affected: All wards

Executive summary:

Deloitte have provided an update report to the Audit and Scrutiny committee covering the 2020/21 audit, attached as an appendix to this report. The report sets out the current status, progress since the last Audit and Scrutiny committee and conclusions reached thus far, along with a summary of outstanding actions.

There is demonstrable progress, with a limited number of issues identified in the accounts. There remains some difficulty with the audit of collection fund, as set out in paragraphs 2 to 5 of the report.

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

Contact officer Mark Hak-Sanders Chief Finance Officer (S151)
mhaksanders@tandridge.gov.uk

Recommendation to Committee:

The current position with regard to the Statement of Accounts 2020/21 be noted.

Reason for recommendation:

The report provides an update to the Audit and Scrutiny committee on the finalisation of the 2020/21 audit. When the audit is complete, an updated document with any changes highlighted will be provided to committee, along with the final accounts for signing.

Officers have discussed the timescale for finalisation with Deloitte. Deloitte and officers cannot guarantee this until quality assurance work is complete. Both parties are committed to concluding the audit as soon as possible and continue to meet daily to progress.

Overview

1. The Council's external auditors, Deloitte, have provided a report to inform the Committee of the current position of the audit of the Council's 2020/21 financial statements. This report is set out in Appendix A.
2. An update report to committee dated 25 November reported that the audit was at an advanced stage but remained ongoing. A key outstanding issue was the audit of the collection fund – the holding account for business rates and council tax collected on behalf of Tandridge District Council, the County Council, Police, Central Government and the Parishes.
3. The council has been unable to access archived records in Academy so that increased audit requirements can be satisfied. Data required under the previous audit regime has been retained so the difficulties relate to a change in audit expectation, exacerbated by the replacement of systems and the amount of elapsed time since the 31st March 2021 balance sheet date.
4. Deloitte have, since the last committee meeting looked into alternative audit procedures in order to gain assurance over the collection fund balances. Work has been ongoing to ensure all the year end balances can be substantiated and can be confirmed by third party evidence where required.
5. The Chief Accountant is working with the auditors to agree a sensible conclusion to the issue. A verbal update will be given to the committee if additional progress has been made.
6. No significant financial reporting issues have been raised in the attached report. A potential adjustment in respect of the pension liability is being discussed with the external auditor and Surrey Pension Fund to determine whether a change to the accounts is required. This change would have no impact on the General Fund, Housing Revenue Account or overall budgetary position of the Council and, if required, would be a technical adjustment to the balance sheet. This issue has been reported to the Committee previously.
7. Subsequent adjustments in respect of asset valuation and debtors are included in the and are presented for management's consideration. Discussions are ongoing in respect of these adjustments as some have the potential, in management's view, to make the accounts less accurate than as currently drafted. Once these discussions are concluded, a point-by-point response will be provided, setting out which were accepted and which not, with accompanying narrative.
8. The report refers to the quality of Council working papers and records, on pages 5 and 8. The Joint Working Arrangement for Finance has been maturing

over the course of this audit and now puts us in a better position to respond appropriately. We will track performance on a regular basis with Deloitte and look to address remaining issues. The report focuses necessarily on the Council's performance however there are concerns over the resourcing and responsiveness of both parties, and management are working with Deloitte constructively to address.

9. A verbal update will be provided to the Committee following the publication of this report.

Other options considered

The completion of the audit is a statutory requirement.

Consultation

Not required.

Key implications

Comments of the Chief Finance Officer

There are no direct financial implications of this report. The audit fee, which is yet to be proposed by Deloitte, will be subject to discussion with officers and approval by committee.

Comments of the Head of Legal Services

Although there is a requirement for local authorities to publish audited accounts under the Accounts and Audit Regulations 2015 by a particular date (30 September 2021 for 2020/21 accounts), this is not a statutory deadline. The significantly delayed audit is nevertheless putting a serious gap in the Council's accountability to residents and undermining public confidence and trust.

Furthermore, as Deloitte is unable complete their work on the Council's accounts submission for 2020-21, the Council is prevented from issuing the notice of conclusion required by Regulation 16 of the Accounts and Audit (England) Regulations 2015.

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

Appendix A – Audit update to the Audit & Scrutiny Committee on the 2020/21 audit

Background papers

None

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



Tandridge District Council

Audit update to the Audit & Scrutiny Committee on the 2020/21 audit

Issued on 15 February 2023

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Audit status and outstanding information

The key messages in this report

The purpose of this report is to update the Audit and Scrutiny Committee on the progress of our audit for financial year 2020/21 since we issued our draft ISA260 report on 15 Sep 2022 and updated report dated 25 Nov 2022. The scope of our audit is set out within our planning report presented to the Committee in March 2021.

Status as reported in our ISA260 letter issued on 15 Sep 2022

We outlined in our report dated 15 Sep 2022 and updated report dated 25 Nov 2022 that our audit was at an advanced stage but remained ongoing. Key outstanding matters were listed as follows:

- finalisation of journals testing;
- value for money;
- receipt of financial statements after addressing comments raised during the audit and updating due to the passage of time;
- completion of internal quality assurance procedures;
- collection fund testing;
- the council's assessment of expected credit risk in line with IFRS 9;
- conclusion on property valuations;
- conclusion on the pension liability and assumptions;
- miscellaneous outstanding sample items and follow up queries;
- receipt of signed management representation letter; and
- our review of events since 31 March 2021 through to signing.

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Status update

We like to update you on the progress of the open items which are as follows:

Collection fund

- Due to system limitation a number of reports were unable to be provided in order for us to complete detailed testing. As a result we have looked into alternative audit procedures in order to gain assurance over the collection fund balance. Since the previous meeting progress has been made in this area. In order to finalise the audit of this area it was identified that support is needed from a collection fund expert who completed this piece of work for the Council in relation to the 31 March 2021 year end. The finance team have completed this consultation and are in the process of preparing additional working papers for audit. We will complete our work on this balance as soon as possible once this evidence is available. This relates to a S31 relief which is presented net with business rates income, thereby reducing the overall balance by £12m compared to the prior year. In addition, we are looking to confirm the nature of the collection fund balances included within the Tandridge balance sheet and why they are valid debtors and creditors for the Council. We are also discussing with management the presentation of the debtor and creditor balances in the Council balance sheet, which may also be affected.

Items previously completed and has now been reviewed – subject to final resolution of queries

- journals testing (awaiting support from management for final queries);
- Creditors (awaiting support from management for final queries);
- Collection fund (awaiting support from management for final queries);
- Call and cast of the financial statements (awaiting resolution of PY call and cast errors);
- Council assessment of credit risk in line with IFRS 9;
- Conclusion on property valuation; and
- Conclusion on the pension liability and assumption.

Audit status and outstanding information

The key messages in this report (continued)

**Status as reported in our ISA260
letter issued on 15 Sep 2022**

Status update

Items completed subject to final review

- we have recently received an updated draft of the financial statements after updating the issues noted by our specialised team review in respect of consistency of the financial statements and responding to the comments raised during our audit; and
- We have completed our internal quality assurance procedures, subject to review of the recently updated accounts to ensure all feedback has been appropriately addressed.

Other open items

- value for money;
- evidence to ensure old debtor balances (selected) are provided for;
- conclusion on disclosure issues regarding capital creditor and liquidity risk.
- one internal control reports from fund manager;
- receipt of signed management representation letter; and
- our review of events since 31 March 2021 through to signing (complete to date).

Your control environment and findings

Control deficiencies and areas for management focus

(reported previously in our report dated 15 Sep 2022)

Observation	Year first communicated, severity, component of internal control	Deloitte recommendation	Management response and remediation plan
<p>Internal controls</p> <p>Under ISA, we are required to obtain the understanding of the relevant controls and perform design and implementation testing in respect of the significant risks, moreover, we are required to obtain understanding of the business process as part of our risk assessment. We noted that management could not provide the relevant evidence of control reviews having taken place in some instances.</p> <p>Management explained that the reason they could not provide evidence of review controls having been completed in some instances was because staff had left the council.</p>	<p>2021 High Control activities</p>	<p>We recommend that management should devise a protocol to ensure the evidence of review controls is retained, even if personnel changes occur.</p>	<p>The Tandridge Finance Transformation programme has introduced a new approach to Corporate Finance, involving staff changes and significant support from Surrey County Council through the Joint Working Agreement. Arrangements for 2020/21 were delivered under the previous model.</p> <p>Management agree that evidence of control reviews should be documented more thoroughly in future. The finding is exacerbated by the significant delay in completing the audit.</p>

Your control environment and findings

Control deficiencies and areas for management focus (continued)

(reported previously in our report dated 15 Sep 2022)

Observation	Year first communicated, severity, component of internal control	Deloitte recommendation	Management response and remediation plan
<p>While performing the audit procedures on the pension liabilities/assets, we noted that there was an error in the Private Equity assets valuation of the Surrey Pension Funds amounting to £38m (as mentioned in the previous pages).</p> <p>Tandridge District Council's management considered this an estimation difference and has therefore, not adjusted the council accounts.</p>	<p>2021 Medium Control activities</p>	<p>We recommend that management should devise a mechanism which would enable TDC management to track any unadjusted misstatements reported by the pension fund's auditor. This will enable management to evaluate unadjusted misstatements and determine whether the Council's financial statements need to be adjusted.</p>	<p>There is a mechanism to be able to track changes in the Pension Fund, The item in question looks to be in connection with the L3 (or Level 3) investments and is not correction of an error. As it was not deemed by the Pension Fund to be an error no adjusted was required and no adjustment was made.</p> <p>These are private market investments which are not traded in the same way as quoted or pooled instruments. The valuation of these therefore takes some time to generate. Any adjustments are down to additional information obtained after the passage of time – in some cases several months – to the time of the audit. The IAS19/FRS102 accounting estimates would have been produced with the best available information at the time and therefore stand.</p>

Your control environment and findings

Control deficiencies and areas for management focus (continued)

(reported previously in our report dated 25 Nov 2022)

Observation	Year first communicated, severity, component of internal control	Deloitte recommendation	Management response and remediation plan
<p>Per the Council's fixed assets policy, all HRA assets are to be revalued annually. However, during reconciliation of the fixed assets register to the valuation reports, we identified 30 HRA assets (15 properties comprising 15 land and 15 building assets) with NBV of £3,134,755 that had not been revalued in the year. On inquiry, we noted that 2 of these were additions in the year and were not valued in line with the Council's policy. No explanation was given for the 28 assets not revalued.</p> <p>In line with IAS 16, we have estimated the potential misstatement/error using the index recommendations from the Valuer's Market review report as at 31 March 2021 and proposed the adjustment.</p>	<p>2021 Medium Control activities</p>	<p>We recommend that management should ensure that information provided to the Valuer's are reviewed for accuracy and completeness.</p>	<p>Agreed and noted for future actions.</p>

Your control environment and findings

Control deficiencies and areas for management focus (continued)

(reported previously in our report dated 25 Nov 2022)

Observation	Year first communicated, severity, component of internal control	Deloitte recommendation	Management response and remediation plan
<p>We note that the finance team have limited capacity and are under significant pressure much of the time. We have consistently observed that financial records do not appear to be of the detailed quality we would expect, and that management are having to invest considerable time seeking the information required for the audit. The turnover of staff has exacerbated this issue, however, had suitable records been retained, this should not have posed a significant challenge.</p>	<p>2021 high Control activities</p>	<p>We recommend that management continue to review the resource requirements of the finance team and perform a detailed review of the processes in place to retain supporting evidence for financial reporting purposes. Retaining detailed evidence as transactions are reported should result in considerably less resource being required to support the audit, and will ensure that the council meets the statutory requirement to retain suitable accounting records.</p>	<p>The Tandridge Finance Transformation programme has introduced a new approach to Corporate Finance, involving staff changes and significant support from Surrey County Council through the Joint Working Agreement. The working papers for 2020/21 were provided under the previous approach.</p> <p>Management agree that the quality of working papers should improve in future, but this will be an ongoing process as much of 2021/22 accounts were produced under prior arrangements.</p>

Your control environment and findings

Control deficiencies and areas for management focus (continued)

(deficiency updated from previous report dated 25 Nov 2022)

Observation	Year first communicated, severity, component of internal control	Deloitte recommendation	Management response and remediation plan
<p>During the audit, we have raised detailed queries regarding the property valuation to management. We have observed that management usually need to perform a detailed examination of the workings, or revert to the expert valuer in order to respond to us. Whilst this is perfectly reasonable in some cases, there have been instances when we would have expected management to readily know the answers as a consequence of having performed a detailed management review of the output from management's expert (and indeed from having close involvement in the inputs to their workings). One of the main instance is valuer assumed a remaining useful life (RUL) of 50-54 years for all properties without consideration of the condition, age and life span of the individual properties. They have not fully explained how they estimated the RUL of the key components of the properties or provided details of the evidence considered in arriving to their conclusion. For the properties that had been selected for review by us, we would expect the range of RUL's to be greater in order to represent their differing ages, designs, construction and uses, as well as any subsequent modernisation or refurbishment of the buildings, plant and machinery.</p> <p>If there are weaknesses in the detailed involvement of management in ensuring that inputs to the valuation workings are accurate, assumptions reflect best expectations at the time and that outputs are appropriate, there is a risk that the specialist valuer will reach an inappropriate valuation for the Council's property portfolio</p>	<p>2021 Medium Control activities</p>	<p>We recommend that management have a close involvement with making the judgements which drive the valuation, for example, the assumptions used for MEA calculations.</p> <p>We recommend that a detailed review of the valuations completed by management's expert be carried out and evidence of the challenges made retained. Management should seek further explanations from their expert as required, in order to have a comprehensive understanding of the reasons behind all key movements in asset valuations before accepting the valuation report.</p>	<p>Apart from the MEA calculation where we relied on the valuers to have considered this management are not aware of any other detailed examination happening or reversion to WHE for answers.</p> <p>Management do review the valuations received and WHE provide explanations for movements</p> <p>Awaiting management response regarding RUL.</p>

Your control environment and findings

Control deficiencies and areas for management focus (continued)

(reported previously in our report dated 25 Nov 2022)

Observation	Year first communicated, severity, component of internal control	Deloitte recommendation	Management response and remediation plan
<p>The Council revalue its operational PPE portfolio on a 5 year rolling basis and revalued a significant portion of its portfolio in for the FY 19/20. Accordingly, the Council has subsequently created a schedule of assets to revalue over the 5 year period from FY19/20 on this rolling basis.</p> <p>18 20 However, we noted some of the assets were not revalued within a class. CIPFA/IAS16 requires that if an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued.</p> <p>The effect of those as calculated were immaterial for this year and therefore no proposed adjustment was raised. However, it could have been material if there were more such assets or if they were of high value.</p>	<p>2022 Medium Control activities</p>	<p>We recommend that management should ensure that all the assets are included in the scope of the valuation within respective class.</p>	<p>We revalued all assets in 2019-20 to bring assets into line and then a new schedule was established. I believe assets are revalued by asset class as per the schedule. The identification of operational PPE that wasn't revalued was because they were not scheduled to be revalued and not because of Audit findings</p>

Your control environment and findings

Control deficiencies and areas for management focus (continued)

(reported previously in our report dated 25 Nov 2022)

Observation	Year first communicated, severity, component of internal control	Deloitte recommendation	Management response and remediation plan
During the year, we noted one of the GL balance (92699) in debtors does not agree with the subledger breakdown. Management is unsure about the difference.	2022 Medium Control activities	We recommend management should ensure periodically that the GL balances reconcile with the breakdown/subledger.	Agreed and noted for future actions.

Accordingly, we have proposed the adjustments in respect of this.

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Your control environment and findings

Control deficiencies and areas for management focus (continued)

(reported previously in our report dated 25 Nov 2022)

Observation	Year first communicated, severity, component of internal control	Deloitte recommendation	Management response and remediation plan
<p>In respect of the pension liability, the Employer was aware of the Goodwin case but has not allowed for any additional costs as a result of the ruling for the year ending 31 March 2021. Also, an allowance was not made for the year ending 31 March 2020 on the basis of minutes from the LGPS advisory board that the Government is not conceding the Goodwin case. For a typical LGPS employer, we understand that the estimated Goodwin impact could be between 0.0% and 0.2% of the DBO (i.e. up to £300k). Hence, we propose an adjustment to reflect this.</p>	2022 Medium Control activities	We recommend management ensure all the necessary provisions are made based on the latest information available and they should challenge the pension report to ensure its reasonableness.	The Pensions report is already robustly challenged to test for reasonableness. As acknowledged in the narrative the impact could be 0.0% and would not require any adjustment. Any adjustment is not deemed to be material.

Your control environment and findings

Control deficiencies and areas for management focus (continued)

(New finding – not reported previously in our report dated 15 Sep 2022 or 25 Nov 2022)

Observation	Year first communicated, severity, component of internal control	Deloitte recommendation	Management response and remediation plan
<p>As part of our journal entries testing, we noted 4 journals of over 170 lines with inadequate/unclear wording describing the purpose of these entries.</p> <p>There may be multiple entries of the same transactions if journals are not properly/clearly described.</p> <p>Additionally, fraud risk is heightened as inappropriate/unapproved transactions may be masked with unclear descriptions.</p>	<p>2022 Medium Control activities</p>	<p>Management should ensure that description of all journal entries are clear enough to describe the nature of transactions being posted.</p> <p>In addition, journals should be split to the individual level and management should avoid batching multiple journal as one. As more concise journals would make it easier for internal reviews.</p>	<p>Awaiting management response.</p>

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Your control environment and findings

Control deficiencies and areas for management focus (continued)

(New finding – not reported previously in our report dated 15 Sep 2022 or 25 Nov 2022)

Observation	Year first communicated, severity, component of internal control	Deloitte recommendation	Management response and remediation plan
<p>As part of review of the aged debtors we noted that a total of £62,544 debtor balance has been outstanding for over 5 years. Upon inquiry from the management they presume that these balances would have already been provided for and part of the year end provision computation. However, no substantial evidence can be provided to precisely evidence that these debtor balances are included in the provision calculation.</p> <p>In the absence of the any substantial evidence, we proposed to provide these balances.</p>	<p>2022 Medium Control activities</p>	<p>In absence of the provision breakdown which reconcile back to debtor, there is a risk that management may be holding debtors that are not recoverable in their books.</p> <p>Management should develop a mechanism whereby they can identify specifically which debtors balances are provided to ensure that adequate provision is made in the books.</p>	<p>Awaiting management response.</p>

Audit adjustments

Unadjusted misstatements

The following uncorrected misstatements have been identified up to the date of this report which we request that you ask management to correct as required by ISAs (UK).

	Debit/(credit) income statement £m	Debit/(credit) in net assets £m	Debit/(credit) OCI/Equity £m	Memorandum Debit/(credit) General Fund £m	If applicable, control deficiency identified
Misstatements identified in current year					
Pension liabilities adjustment in respect of planned asset		£608k	(£608k)		
Pension liabilities adjustment in respect of Goodwin case		(£300k)	£300k		
Application of Valuer's recommendation on operational assets not revalued		£79k	(£79k)		
Difference between GL and debtors ledger which management cannot substantiate	(£233k)	£233k			
Provision on long outstanding debt	£63k	(£63k)			
Misstatements identified in prior years					
Adjustment in valuation of Quadrant House	£82k		(£82k)		
Aggregation of misstatements individually < £816k					
Total	(£88k)	£557k	(£469k)		

Audit adjustments

Disclosures

Disclosure misstatements

The following uncorrected disclosure misstatements have been identified up to the date of this report which we request that you ask management to correct as required by ISAs (UK).

Disclosure

As part of review of financial statements we noted the following disclosures were missing which are required by the Code, however, not disclosed by the Council:

- Defined benefit obligation disclosures as mentioned in Code paragraph in 6.4.3.45;
(Including maturity profile of the obligation and maturity analysis of benefit payments)
 - HRA vacant possession disclosures as mentioned in the Code paragraph in 3.5.5.1;
(Including an explanation that the vacant possession value and balance sheet value of dwellings within the HRA show the economic cost of providing council housing at less than market rents)
-

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Internal Audit 2022/23 Progress Report (January 2023)

Audit & Scrutiny Committee – Thursday 23 February 2023

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 (2022-23) and to provide an overview of the outstanding management actions.

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

Contact officer Mark Hak-Sanders Chief Finance Officer and Section 151 Officer mhaksanders@tandridge.gov.uk

Recommendation to Committee:

That the Committee notes the Internal Audit 2022/23 Progress Report – January 2023

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 2023.
- 4 The progress report provides a clear and transparent articulation of internal audit activity, performance, and outcomes during the period up to January 2023.

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 2022/23 Progress Report – January 2023

Background papers

None.

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Southern Internal Audit Partnership

Assurance through excellence
and innovation

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TANDRIDGE DISTRICT COUNCIL

Internal Audit Progress Report – 2022/23

Prepared by: Natalie Jerams, Deputy Head of Partnership

January 2023

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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:

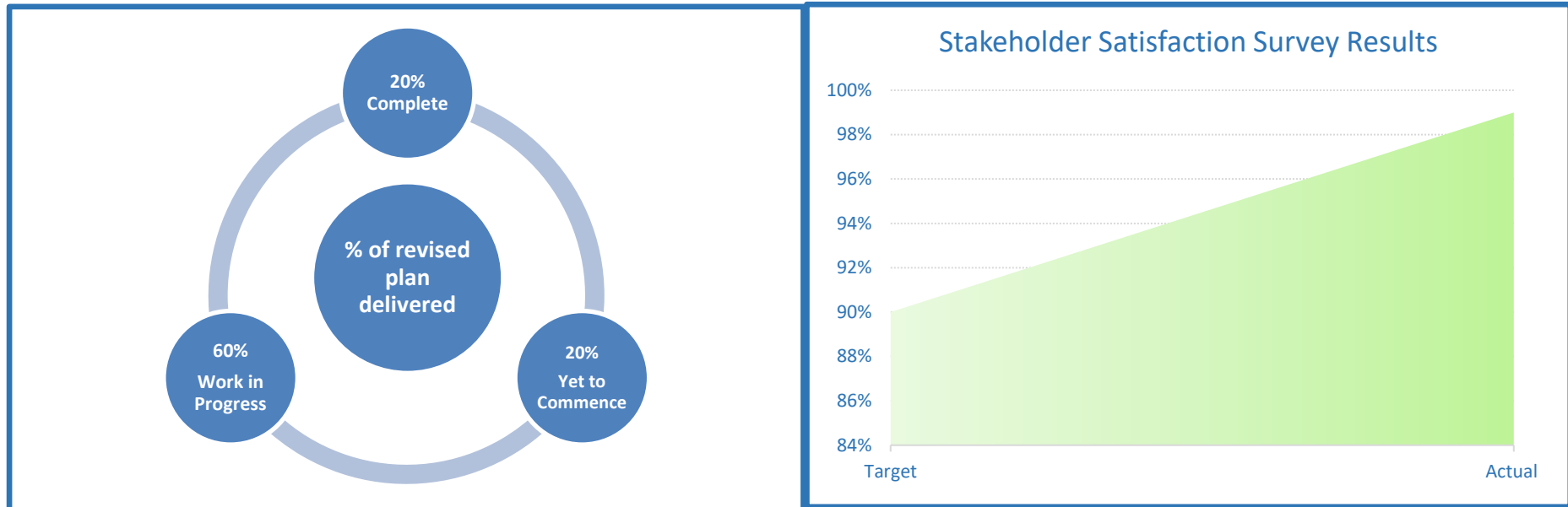
- The status of 'live' internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor's annual opinion.

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
IT Disaster Recovery & Business Continuity	06.07.20	HofT&BS	No Assurance	11(11)	0(0)	10(10)			1
Council Tax	02.10.20	EHofC	Adequate	5(2)	0(0)	4(2)		1	
Building Control	28.07.21	CPO	Limited	19(12)	0(0)	17(11)		1	1
Information Governance	11.08.21	HofLS	Limited	14(7)	0(0)	10(5)		2	2
Health & Safety	27.08.21	EHofC	No Assurance	26(17)	0(0)	22(15)		2	2
Annual Governance Statement	02.12.21	HofL	Limited	8(7)	0(0)	6(6)		1	1
Fraud Governance Arrangements	24.03.22	HofL	Limited	15(11)	0(0)	5(3)		2	8
IT Governance	20.06.22	CE	Limited	6(0)	0(0)	5(0)		1	
IT Database Management	20.06.22	CE	Limited	7(1)	0(0)	3(1)		4	
Income Collection	08.08.22	CFO	Reasonable	5(0)	0(0)	2(0)		3	
Contract Management	11.08.22	HofLS	Limited	20(3)	1(0)	7(0)		9	3
Business Continuity & Emergency Planning	08.09.22	EHofC	Limited	12(11)	0(0)	6(5)			6
Disabled Facilities Grants	14.10.22	EHofC	Reasonable	4(1)	1(0)	2(1)		1	
Total				152(83)	2(0)	99(59)	0	27	24

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

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

There have been no new reports published concluding a “limited” assurance opinion since our last progress report in December 2022.

6. Planning & Resourcing

The internal audit plan for 2022/23 was presented to the Management Team and the Audit & Scrutiny Committee in March 2022.

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	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Governance								
Savings Realisation	CFO	✓	✓	✓				Close of audit meeting booked for 21/2/23
Health and Safety	HofT&BS							Q4 – to be scoped in February
Risk Management	HofP&C							Q4 – scoping meeting booked for 23/2/23
Annual Governance Statement	HofL	✓						
IT								
IT Application Management (Orchard)	HofT&BS	✓	✓					
IT Follow Up	HofT&BS	✓	✓	✓				
Core Financial Reviews								
Accounts Payable	CFO	✓	✓	✓				

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Accounts Receivable/Debt Management	CFO	✓	✓	✓				
Main Accounting	CFO	✓	✓	✓				
Payroll	CFO	✓	✓	✓				
Treasury Management	CFO	✓	✓	✓	✓	✓	Reasonable	
Service Reviews								
Operational Services	EHofC	✓	✓					
Environmental Health & Licensing	EHofC	✓	✓	✓	✓	✓	Reasonable	
Disabled Facility Grants	EHofC	✓	✓	✓	✓	✓	Reasonable	
Other								
Follow Up	Various							Q4 – scoping meeting to be arranged

Audit Sponsor					
CE	Chief Executive	CFO	Chief Finance Officer	HofLS	Head of Legal Services & Monitoring Officer
EHofC	Exec Head of Communities	CPO	Chief Planning Officer	HofT&BS	Head of Transformation & Business Support
HofP&C	Head of Policy & Communications				

8. Adjustment to the Internal Audit Plan

There have been the following amendments to the plan:

Plan Variations for 2021/22	
Added to the plan	Reason
IT Application Management	To provide assurance over the support and maintenance of business critical application(s).
Removed from the plan	Reason
IT Business Continuity	Deferred to 2023/24 to enable ongoing actions to be fully embedded prior to a further review.
Human Resources & OD	This review was scoped to look at the People Plan, however this is yet to be fully developed and will be considered as part of the 2023/24 planning. This resource has now been reallocated to further support the reviews of Operational Services and Follow Up.

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.

Annual Governance Statement 2021 - 2022

Audit & Scrutiny Committee Thursday 23rd February 2023

Report of: Head of Legal Services & Monitoring Officer

Purpose: For decision

Publication status: Open

Wards affected: All

Executive summary:

The purpose of this report is for the Committee to receive and approve the proposed final Annual Governance Statement 2021/22('AGS') and the proposed actions that will be undertaken during the coming year to address the issues arising. Once approved the AGS will accompany the Statement of Accounts and be published on the Council's website.

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

Contact officer Head of Legal & Monitoring Officer
lharrison@tandridge.gov.uk

Recommendation to Committee:

1. That the Committee approve the annual governance statement set out in Appendix A for inclusion in the Draft Annual Financial Report 2021/22 which is presented elsewhere on the agenda.
2. That the issues arising and proposed actions identified in Appendix A be noted and that progress against the actions in the AGS be brought back to the Committee as part of a monitoring report.

Reason for recommendation:

To ensure that the Council complies with its statutory duty to adopt an annual governance statement.

1. Introduction and background

- 1.1. In accordance with the Accounts and Audit Regulations 2015, the AGS should be approved by Members of the Council meeting, or by a Committee, at the same time as the Statement of Accounts is approved.
- 1.2. The AGS for 2021/22 is attached at Appendix A and has been developed based upon the requirements of the Regulations and CIPFA/SOLACE guidance which is still the most current documentation in this area. The AGS includes a draft action plan to ensure that the Council continues to improve its existing governance arrangements.
- 1.3. The action plan attached to the 2020/21 AGS (implemented during 2021/22) has been reviewed by senior management (Extended Management Team) and updated to reflect current progress. Any actions still in progress from the 2020/21 plan have also been included in a separate table.
- 1.4. The annual review of governance arrangements was completed by the Extended Management Team from January to March 2022 and more recently again in January 2023.
- 1.5. The AGS is a valuable means of communication. It enables the Council to explain to its residents, service users, council tax payers and other stakeholders its governance arrangements and how the controls it has in place to manage risks of failure to deliver its outcomes and priorities
- 1.6. The AGS and the Local Code of Good Governance (Appendix A) outlines that the Council has a governance framework in place but that it is continually reviewing procedures to maintain and demonstrate corporate governance. It is supported by risk management and sound systems of internal control which are paramount in the financially constrained circumstances within which the Council operates. The Council can be assured that, during 2021/22, including during the continued response to the global Covid-19 pandemic, the existing or revised governance arrangements have continued to support appropriate governance. Where required, changes to procedures have been agreed by Extended Management Team and changes to the Constitution have been agreed by Full Council.
- 1.7. A report on the Council's current Local Code of Good Governance was brought to this Committee on 22nd March 2022 to reflect the CIPFA/SOLACE framework including any revised principles, guidance and good practice received in the preceding year. A revision of the code will be presented to this Committee in June/ July 2023.
- 1.8. This Committee has delegated authority to approve the Council's AGS each year. In recognition of the importance of the AGS, CIPFA /SOLACE guidance provides for it to be signed off by the Chief Executive and the Leader of the Council following consideration by the Committee.

1.9. Once approved and signed, the AGS will be published on the Council's website, along with the Statement of Accounts, for members of the public, Members, Officers and other stakeholders to view. Further progress reports on items recognised in the Annual Governance Statement will be provided to this Committee as part of its work programme.

2. Other options considered

2.1. The drafting and publication of the Statement is a statutory requirement.

3. Key implications

3.1. Comments of the Chief Finance Officer

There are no direct financial implications. Where further work is required to respond to the issues identified in the AGS, any additional financial resources required to implement identified improvements will be raised separately or through the budget process.

3.2. Comments of the Head of Legal Services

Completion and approval of the AGS is required by Regulation 6(1) (b) of the Accounts and Audit England Regulations 2015. Within the Regulations, and in accordance with defined 'proper practice', there is a mandatory requirement to publish an AGS. The AGS, attached at Appendix A, if approved and signed will form part of the Statement of Accounts. Failure to comply would result in the Council not meeting its statutory requirements.

3.3. Equality

None arising from the content of the report, although officers will need to consider the council's Public Sector Equality Duty and if required complete an Equality Impact Assessment on any specific recommendations or future decisions to be made arising from the action plan

3.4. Climate change

There are no direct climate change implications arising from the Annual Governance Statement.

4. Appendices

Appendix A - Annual Governance Statement and Code of Governance

5. Background papers

None.

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

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Annual Governance Statement

2021-2022



Message from the Leader of the Council and the Chief Executive

We both recognise the importance of having good management, effective processes and other appropriate controls in place to enable the Council to deliver services and achieve the best possible outcomes for the residents of Tandridge.

To ensure the organisation continues to operate as effectively as possible, the Council embraces a governance framework which ensures consistency of purpose across the many services delivered, encourages high standards of performance, conduct and a strong public service ethos.

The underlying financial environment continues to pose significant challenges for all public services. The pandemic has significantly impacted on local government finances, combined with years of reduced funding and demand pressures. The current economic climate and general inflation cost pressures exacerbated by rising gas and oil prices have resulted in sharp increases in the cost of living which is impacting us all. Local authorities are not immune, with greater cost pressures across all aspects of our operation.

Within this overall context, the role of good governance remains critical to public trust and confidence in decision making.

In times of uncertainty and significant change, it is more important than ever that we make the best possible use of the public money we are entrusted with, ensuring resources are aligned to our ambitions, policies and priorities. That is why the Council has embarked on the Future Tandridge Programme (FTP). This brings together our approach to developing a new operating model, leadership, service redesign and delivering a smaller, more strategic, agile and responsive organisation with resources targeted at resident priorities.

This Annual Governance Statement provides the opportunity for an honest reflection on whether our governance arrangements are fit for purpose. The Audit and Scrutiny Committee, alongside the Council's Management Team (Extended Management Team) have considered and reviewed the content of the statement including the significant governance issues identified and have satisfied themselves that this Annual Governance Statement properly reflects how the Council is run and that those improvement actions that have been identified are appropriate and will be delivered.

Signed on behalf of Tandridge District Council

INSERT SIGNATURE

Leader of the Council

Date:

INSERT SIGNATURE

Chief Executive

Date:

1. Introduction

- 1.1 The Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to the above.
- 1.2 The Council operates in a complex and constantly evolving financial, policy and legislative environment. The role, responsibilities and funding models of local government continue to be in a period of rapid transition. The Council continues to progress the delivery of its ambitious transformation programme, **the Future Tandridge Programme**, with officers and councillors engaged in working towards the realisation of the vision.
- 1.3 The changes taking place present both opportunities and challenges. The Council must continue to engage in a broad programme of innovation and service redesign work so it can maintain services for residents which are efficient, effective and deliver value for money using available resources. This document explains the governance mechanisms in place during 2021/2022 to ensure appropriate oversight of this work.
- 1.4 This statement is also prepared with consideration to the Chartered Institute of Public Finance and Accountancy's (**CIPFA**) Delivering Good Governance In Local Government Framework (which is the most up to date guidance in this area) and the Council's Corporate Governance Code (**the Code**) which has at its heart the following core principles:
- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
 - Ensuring openness and comprehensive stakeholder engagement.
 - Defining outcomes in terms of sustainable economic, social and environmental benefits.
 - Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - Developing the entity's capacity, including the capability of its leadership and the individuals within it.
 - Managing risks and performance through robust internal control and strong public financial management.
 - Implementing good practices in transparency, reporting and audit to deliver effective accountability.

2. Acknowledgement of responsibility

- 2.1 The Code sets out how the Council operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable to local people. Some of these processes are required by law, while others are a matter for the Council to choose.

- 2.2 The Code and the Council's Constitution are reviewed annually to ensure they remain consistent with the principles of the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) joint framework for delivering good governance in local government.
- 2.3 This statement explains how it has complied with the Code, including how the effectiveness of arrangements has been monitored. It also meets the requirements of regulation 6 (1) of the Accounts and Audit (England and Wales) Regulations 2015 which requires all relevant bodies to prepare an annual governance statement.
- 2.4 The Statement also includes reference to the documents that evidence the Council's commitment to the seven principles of governance. This gives assurance the Council is committed to continuously improve the way in which it functions.
- 2.5 The Council recognises there are areas where it wishes to enhance its arrangements to ensure that it continues to do the right things, in the right way, in line with its values and to consider significant challenges.
- 2.6 The Council is currently aware of further issues that could also affect its financial position such as, but not limited to, exceptional inflationary pressures, planning appeals, appeals against housing/homeless decisions, business rates appeals, enforcement and other matters.
- 2.7 The 2020/21 Annual Governance Statement highlighted several issues, with a commitment to monitor them during the course of 2021/22. Progress against these issues has been reviewed during the year through the Council's normal systems of governance, risk and control. In most cases, this has been via updates to the Council's Risk Register, which is reported regularly to EMT, quarterly to four Committees (Strategy and Resources; Planning Policy, Housing and Community Services) with a final report to Audit and Scrutiny Committee.
- 2.8 There has undoubtedly been a significant impact on the Council during the period of the COVID-19 pandemic, however the Council has maintained all its front-line services to residents and customers throughout.

3. Corporate governance

- 3.1 Corporate governance is the term used to describe the system by which local authorities direct and control their functions and relate to their communities. The Council drafted a new Code and this was undertaken by the Council's Head of Legal and Monitoring Officer in consultation with

senior managers and the Chair and Vice Chair of the Audit and Scrutiny Committee. It was subsequently presented to Councillors at its Audit and Scrutiny Committee in March 2022. The Code reflects the arrangements that were in place during 2021/22, considering any continuing impact of Covid-19 and measures taken to resume "business as usual". The Code is consistent with the seven principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government 2016. A copy of the Code is on the Council's website.

- 3.2 The Council recognises a crucial aspect in delivering good governance is the way that it is applied. The ethos of good governance cannot be achieved by structures, rules, and procedures alone. Effectively, good governance needs to be embedded within the Council and its culture and the need for and value of, good governance must be explicit.
- 3.3 One of the key elements of the Council's governance is its Constitution. The Council's constitution records the rules and laws under which the Council operates, including the Financial Regulations. The Constitution is published on the Council's website. The Constitution was last updated and agreed at Full Council on 15th December 2022. In addition, there are a range of policies and procedures to direct and guide councillors and officers, as well as codes of conduct that set out standards of behaviour expected from councillors and officers. The Council's Financial Regulations were reviewed by Strategy and Resources Committee on 1st February 2022 and still require further changes. This will be reviewed and reported at the 30th March Committee 2023.
- 3.4 Standing Orders in the Constitution allow the Council to delegate decision making to committees, sub-committees, or officers and sets out the rules which apply to the running and operation of Council and committee meetings.
- 3.5 Another key element of the Council's governance is its Strategic Plan 2020-2021 to 2023-2024 which includes four objectives for:
 - **Building a better Council** – making the Council financially sustainable and providing residents with the best possible services
 - **Creating the homes, infrastructure and environment we need** – both now and in the future.
 - **Supporting economic recovery in Tandridge** – from lockdown to growth that everyone benefits from.
 - **Becoming a greener, more sustainable District** – tackling climate change
- 3.6 A new Plan will be developed for 2024-2028 which will set the direction for the Council and enable the Council to track progress against corporate objectives, as well as help services and teams understand the strategy and how their work directly impacts its success. The Corporate Plan ensures every level of the organisation is aligned around a shared purpose and officers understand their role in delivering services which

meet the corporate objectives. The meetings take place monthly and are attended by service area representatives. Agendas and minutes are available for all officers.

- 3.7 The Council has active engagement with Staff Conference to discuss the Future Tandridge Programme and the impact upon staffing and service delivery and other specific service matters. The Staff Conference is a forum for informing and consulting staff, through their representatives, on employment policies, procedures and working practices. The meetings take place monthly and are attended by service area representatives. Agendas and minutes are published and available for all officers.
- 3.8 The Council has appointed the required statutory officers which includes the Head of Paid Service (Chief Executive), the Monitoring Officer (Head of Legal Services) and the Chief Finance Officer, also referred to as the Section 151 Officer. These three officers have met informally during 2021/2022 and communication has remained strong. Revised terms of reference for the Statutory Officers group have been drafted. A standing agenda item will be to discuss governance and risk issues. This further demonstrates the commitment to ensuring effective corporate governance arrangements are in place.
- 3.9 All Heads of Service are members of The Extended Management Team (EMT) who meet once a week. This includes those Heads of Service who hold a statutory officer role. EMT is responsible for identifying improvement actions and/or future planned developments in relation to key governance arrangements and continuous improvement.
- 3.10 The Council has appropriate policies and procedures relating to HR and these are available on the Council's intranet and are easily accessible.
- 3.11 The Council has an established Anti-Fraud, Bribery and Corruption Policy and a separate Whistleblowing policy. These policies set out the duties of all staff in relation to acting with honesty and integrity and the reporting suspected fraud. Both policies are published on the Council's website, along with details about how the public can report suspected fraud and corruption.
- 3.12 Independent and objective assurances are provided by Southern Internal Audit Partnership (SIAP) whose function as internal auditors, including the Chief Internal Auditor role, is designed to add value and improve the Council's operations. This in turn helps the Council accomplish its strategic ambitions by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the Council's risk management, internal control and governance processes.
- 3.13 The Council's internal audit arrangements are consistent with the CIPFA Statement on *the role of the Head of Internal Audit in public service organisations* (2019).

- 3.14 The Council proactively engages with residents and businesses to maintain the Council's reputation, gain understanding and support for the organisation's vision and objectives and keep customers informed about priorities, services and campaigns.
- 3.15 Progress against the existing Council Strategic Plan priorities and budgets has been monitored by EMT using a corporate action tracker. Many of these actions have now moved into business-as-usual work. Work is underway to develop a new corporate plan to replace the existing one which was launched at the start of the pandemic. Much of that plan relates to making internal improvements following a period of management instability.
- 3.16 The Council has arrangements in place to regularly monitor financial performance, service performance, the progress of key corporate projects and to oversee the implementation of recommendations from internal audit reports. Financial monitoring and reporting was strengthened over the course of 2021/2022 following a series of reviews into the Council's arrangements for financial management, including by Grant Thornton and an independent financial expert. The action plans resulting from these reviews resulted in a strengthened Finance function and the resumption of formal quarterly finance reports to committees, in Q4 2021/2022 and into 2022/2023. As part of the changes put in place since the arrival of the Chief Executive there has been a review of performance indicators, risk and audit, as well as the re-introduction of service plans. There has also been a review of corporate projects and project management.
- 3.17 In the Council's day-to-day operations, a framework of internal controls (eg authorisation, reconciliations, separation of duties, etc.) manages the risks of fraud or error and this framework is reviewed by internal audit. The Council has appropriate arrangements in place to deal with fraud and corruption risks and is committed to maintaining its vigilance to tackle fraud.
- 3.18 The Audit and Scrutiny Committee has continued to play a key role in obtaining the relevant assurances and in accordance with CIPFA guidance is independent of key decision makers and able to question and challenge the material before it.
- 3.19 Partnership working is governed by agreements, protocols or memoranda of understanding relevant to the type of work or relationship involved. The Council's legal services and procurement team ensure all are fit for purpose and the Council's interests are protected.
- 3.20 The Council publishes its statutory Statement of Accounts on an annual basis, in compliance with the CIPFA Code of Practice on Local Authority Accounting. Delays in the external audit process mean the Council is unable to comply with statutory timescales for 2021/2022, however it has made the relevant disclosures to this effect on its website. Good progress is being made both in respect of the outstanding external audit

of the 2020/2021 accounts and the production and publishing of the 2021/2022 accounts. The Council is far from isolated in these delays and they reflect a sector-wide crisis in audit resourcing, as well local circumstances which led to the fundamental review of the Council's Finance function and subsequent restructure of the Finance team. Best practice, oversight and resilience is now accessed through the Joint Working Agreement for Finance with Surrey County Council. The Statement of Accounts and external audit process incorporate the full requirements of best practice guidance in relation to corporate governance, risk management and internal control.

- 3.21 The Council is subject to independent audit by Deloitte and receives an Annual Audit Letter reporting on findings. The Council supplements this work with the Southern Internal Audit Partnership and ad hoc external peer reviews. The Audit and Scrutiny Committee undertakes the core functions as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*.
- 3.22 The Information Governance Management Team meets quarterly to discuss and monitor compliance with corporate systems of internal control, cyber security and governance issues. The group includes the IT & Projects Delivery Manager, the Council's Monitoring Officer, the FOI and Deputy FOI Officers, Support Services Manager, the Data Protection Officer, the Head of Information Governance, Head of Policy and Communications, Communications Specialist and Data Protection Officer.
- 3.23 The Freedom of Information Act (FOIA) and the Environmental Information Regulations (EIR) give rights of public access to information held by public authorities, including the Broads Authority. The Council's Publication Scheme highlights the information it publishes, how it makes it available. The Council's commitment to protecting people's privacy and processing personal data in accordance with data protection legislation is set out on the Council webpage (<https://www.tandridge.gov.uk/Your-council/Freedom-of-information-and-data/Data-protection-and-freedom-of-information>).
- 3.24 The Council has an overarching **Corporate Business Continuity Plan** which provides critical information to enable the Council to continue operating during an unplanned significant event, including loss of premises, IT/telecommunications systems and utilities; national lockdown (e.g. pandemic) and major travel disruption. The plan relates to events that impact all or most of the Council's operations and that require immediate action. Measures to respond to other identified and predictable business risks (such as significant loss of income or key staff) are covered elsewhere, including within our risk registers and individual project plans.
- 3.25 An incident response plan was triggered in March 2020 in response to the Covid-19 pandemic, and remained in place throughout 2020/21 and continued in 2021/2022. The plan included an actions log drawn from the weekly 'Surrey's Local Resilience Forum. A summary of the briefing from

the meetings was made available to all staff, members and volunteers, together with regular guidance on maintaining Covid-safe working practices.

- 3.26 The Council's Emergency Planning and Resilience Specialist oversees and monitors the Council's range of business continuity plans including **the Corporate Business Continuity Plan**. Work on this has been ongoing but there remains an absence of robust Service Area Business Continuity Plans from several areas of the Council. The September 2022 internal audit report identified the 2019 Business Continuity Incident Management Plan as being due for review. A programme of work is being looked into in 2022/23.
- 3.27 An EMT session on 28 March 2023 will be used to undertake a business continuity desktop exercise with the Emergency Planning and Resilience Specialist.

4. The Council and how it operates

- 4.1 The Council operates a committee system of governance and comprises of 42 councillors across 20 wards. Since May 2021 the Leader of the Council is Councillor Catherine Sayer, who is also Chair of Planning Policy Committee.

Following elections in May / June 2022 the composition of the Council is: Independents and OLRG Alliance	18
Liberal Democrat	11
Conservative	10
Independent Group	3

- 4.2 The Council is in No Overall Control, with a minority Independents and OLRG Alliance administration.
- 4.3 During 2021-2022 the Council had the following committees:
- Community Services
 - Housing
 - Licensing
 - Overview and Scrutiny / Audit and Scrutiny
 - Planning
 - Planning Policy
 - Standards
 - Strategy and Resources

- 4.4 Our committees each have distinct terms of reference and the public may ask questions at these meetings. Meetings that are exempt under legislative guidance¹ the public and the press are excluded.
- 4.5 Council and Committee meetings are available as [webcasts](#), and decisions are recorded and published.

5. CIPFA financial management code

- 5.1 In December 2019, CIPFA introduced its Financial Management Code (FM Code) to reflect exceptional financial circumstances faced by local authorities. Previous CIPFA work had revealed fundamental weaknesses in financial management at some councils (not in Tandridge), particularly in relation to organisations that may be unable to maintain services in the future. The FM Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. Each local authority must demonstrate that the requirements of the code are being satisfied. Demonstrating this compliance with the FM Code is a collective responsibility of councillors, the Chief Finance Officer (S151) and their professional colleagues in the Finance team.
- 5.2 Local authorities have been required to apply the requirements of the FM Code with effect from 1 April 2020. CIPFA considered the implementation date of April 2020 should indicate the commencement of a shadow year and by 31 March 2021, local authorities should be able to demonstrate they are working towards full implementation of the code. The first full year of compliance with the FM Code has therefore been 2021/2022.
- 5.3 The Council's governance arrangements for budgeting, the accounts, financial decision making and compliance with codes of practice and legislation are in accordance with the financial management standards set out in the FM Code. No significant issues or concerns have been raised by internal or external audit. However, the Council has commissioned two bespoke external reviews to address its Financial Management capability, particularly a review by Grant Thornton and a further review by an independent financial expert, focussed on the circumstances leading to a significant error in the Council's budgeting for pensions. These reviews led to several recommendations which were built into the Tandridge Finance Transformation Programme and the Future Tandridge Programme.

¹ For confidentiality of proceedings, see Tandridge District Council (2021) *Tandridge District Council Constitution*, p. 13 'No. 16'. Online available: <https://www.tandridge.gov.uk/Your-council/Councillors-and-committees/How-the-Council-is-run> [Last updated 02/2023].

6. Future Tandridge Programme

- 6.1 On 1 February 2022, the Council considered two key documents, setting context and direction for its future operation. The *2022/2023 Budget and 2023/2024 Medium-Term Financial Strategy* and a report formally initiating the *Future Tandridge Programme* combined to set out the scale of the challenge facing the authority and the mechanisms in place to address it. The Future Tandridge Programme is the key mechanism to ensure the Council lives within its financial means, but also to demonstrate it delivers value for money in the pursuit of its priorities. This is discharged through a series of evidence-based service reviews to determine an appropriate future operating model for each service.
- 6.2 During 2021/2022, as referenced elsewhere in this report, a £920k error was uncovered in the Council's approach to budgeting for pensions. The size of this error led to a series of external and internal reviews to understand what had happened, how the error had gone unnoticed, and crucially the lessons to be learned from it. In addition, a 2021/2022 line by line budget review that was sent to councillors provided reassurance the issues highlighted would not be repeated.
- 6.3 An independent review of Tandridge District Council's financial management and reporting arrangements was completed by Laura Rowley providing further assurance that, with appropriate intervention, the Council would learn from the mistakes which led to the error.
- 6.4 The outcomes from these reviews were built into the Tandridge Finance Transformation Programme (TFT) and the Future Tandridge Programme (FTP).
- 6.5 The overall aims of the FTP is to transform the operating model for Tandridge, creating a smaller, more strategic, agile and responsive organisation with resources targeted at Council priorities and where need is greatest, underpinned by a more business-like approach to the way the Council operates.
- 6.6 The service review and redesign workstream will deliver a prioritised, consistent, and rigorous review of all services which fundamentally challenges how and why we provide services including the demand for these services, the most appropriate delivery model, performance, cost and value for money.
- 6.7 The approach and methodology is based on best practice from elsewhere, tailored to the requirements of the Council. The focus will be on identifying outcomes which support the longer-term operating model, but it will also be necessary to identify short term opportunities to deliver the budgeted savings in 2022/2023 and 2023/2024.

7. Impacts of the coronavirus pandemic on governance

- 7.1 While the coronavirus pandemic had a direct impact on the way the Council operates, this has now largely reduced. Over the period of review this has involved changes to business-as-usual arrangements and the introduction of new ways of working.
- 7.2 During the pandemic all staff, where it was appropriate to do so, worked from home and this has continued through the introduction of hybrid working. There has been a refocus upon wellbeing and resilience support for staff and the Council has undertaken extensive consultation exercises with staff on the new ways of working to help shape future arrangements.
- 7.3 The pandemic provided reassurance over our resilience, governance, and decision-making arrangements, as we have been able to maintain and deliver most of our services in this challenging environment, adapting our methods of working and decision making as necessary.
- 7.4 Legislation to allow authorities to conduct most of its meetings and take decisions in ways other than in person expired on 6 May 2021 and Full Council and Committee meetings returned to being held face-to-face. The Council recognises the benefits virtual meetings provided, particularly around accessibility for stakeholders and the public.
- 7.5 The impact of the pandemic is likely to continue to affect governance arrangements and changes to working practices are continually being assessed to ensure appropriate controls exist. It is also apparent the pandemic has had, and will continue to have, an impact upon the Council's resources, financial resilience, potential pausing of certain projects and long-term flexible working. This will remain a key governance issue as the Council recovers.
- 7.6 IT security requirements have been strengthened to reflect the increased number of staff working at home and in response to increased global IT security threats. Additional investment in the IT technical infrastructure will need to be prioritised for 2022/2023 and promptly implemented to increase resilience within the IT network. Policies and procedures also need to be adapted to respond to changing needs.
- 7.7 Some of the measures undertaken in 2021-2022:
- **Supporting vulnerable residents:** including food and fuel grants and the administration of a Household Support Fund. Financial support was provided to residents through use of Discretionary Housing Payments for those unable to meet rent liabilities. Sign posting to relevant partner agencies such as Citizens Advice and Surrey County Council.
 - **Council tax support:** administered the government's Hardship

Fund and provided further financial support initiatives (eg Hardship Payments).

8. Review of compliance with the Code of Corporate Governance

- 8.1 Between January and March 2022, each member of the EMT completed a statement of assurance providing details as to the extent and quality of internal control arrangements operating within their teams during the previous year. Furthermore, they were also asked to declare any weaknesses in the governance arrangements in their service areas. It is proposed to amend the statements for 2022/2023 to include any overdue and significant internal audit actions in the senior managers' service area.
- 8.2 The Section 151 Officer has the statutory responsibility for the proper administration of the Council's financial affairs. CIPFA/SOLACE advises the S151 Officer should report directly to the Chief Executive and be a member of the Leadership Team, of equal status to other members. The S151 Officer at the Council is a member of EMT who reports directly to the Chief Executive.
- 8.3 The Council has appointed the Head of Legal as the statutory "Monitoring Officer" and has procedures to ensure the Monitoring Officer is aware of any issues which may have legal implications.

9. Subsidiary Company

- 9.1 The Council has three subsidiary companies Gryllus Holdings Ltd., Gryllus Property Ltd and Gryllus Housing. Gryllus Property was set up to manage a small number of out-of-district investment properties. Assurance on the proper running of the companies are provided by the Head of Legal Services and Monitoring Officer acting as company secretary, expert asset advice provided by the Asset Management Team, and expert financial advice provided by the Commercial Finance team at Surrey County Council, through the Joint Working Agreement.

10. Statutory Assurances

a. Head of Paid Service

As Chief Executive and the Head of Paid Service, I am responsible for the overall corporate and operational management of the Council. In yet another challenging year for the Council, I remain both impressed and proud of the way the organisation continues to recover from the Covid-19 crisis and deal with the significant and increasing service and economic pressures our services face, exacerbated by the growing cost of living crisis. I believe our governance arrangements are improving and are reviewed regularly to ensure they support a more agile way of

working. We have also made excellent progress in taking forward our transformation programme, the Future Tandridge Programme. This involves a series of service and cross cutting reviews designed to ensure our resources are targeted to where they will most positively impact on our residents.

Introducing a commissioning-based approach to service delivery is a key priority going forward. This will include different and more effective ways in which council services can be delivered. One way of doing this is through working more closely with our east Surrey neighbours and there will be much more of this, as well as exploring other partnership opportunities, in 2023.

As a leadership group, EMT is working more cohesively as a team. We are now looking collectively at what we need to do organisationally to make Tandridge a council people want to work for. Instilling the values and behaviours we have all agreed to throughout the organisation will be a key priority for 2023. Investing in and nurturing talent and developing managers and staff is also a priority. We are currently putting together a Leadership and Team development programme to drive this forward.

The re-establishment of the Key Officer Forum is an important step towards strengthening the organisation and creating more resilience and capacity at management level. For managers and staff, setting clearer objectives, agreeing individual development plans and looking at ways in which we can reward good performance will also be a focus for 2023, starting with the introduction of service plans and appraisals from April.

Finally, the development of a new Corporate Plan will clarify our priorities and objectives for the next three to four years. This in turn will be linked to the budget setting process and inform service planning and appraisals.

I support the areas for improvement presented in this Annual Governance Statement.

b. Chief Financial and Section 151 Officer

As Section 151 Officer, I have responsibility to ensure the proper administration of the Council's affairs. Key elements of this are to make sure the Council's budget and reserves are robust and arrangements are in place to secure value for money.

The annual Budget and Medium-Term Financial Strategy (MTFS) is the Council's key General Fund financial planning document and sets out the Council's strategic approach to the management of the General Fund including Council tax levels, capital funding and treasury management.

As S151 officer, I continue to assess risks to the financial stability of the Council, both externally and internally. External risks take the form of high inflation, increasing construction costs, high interest rates and volatile government funding. Internal factors include ensuring budget

holder accountability is strong, contract management and procurement arrangements are suitable and the finance function is robust and provides adequate checks and balances across the organisation.

In addition, the organisation is taking steps to ensure a business partnering approach is adopted to demonstrate the finances of the Council are directed appropriately to its priorities. This approach is set out in a Finance Business Partnering Agreement.

The projected gap between government funding and expected spend has necessitated the MTFs to be regularly reviewed and updated. Councillors have approved financial resilience measures which have stabilised the General Fund balance for this and future financial years, including a strategy to avoid the use of reserves and the adoption of a budgetary contingency as part of the annual budget process.

The 2022/2023 Budget report was taken to Council on 10 February 2022. The Budget Report is a formal report and is part of a continuum of professional advice and detailed work carried out with EMT and councillors. The Medium-Term Financial Strategy (MTFS) was approved as part of the same report and outlined how the budget would be delivered over the medium term.

I conclude the estimates for 2022/2023 were robust, the budget was lawful and levels of balances improved and would be adequate and reasonable in meeting the Council risks.

Section 11 of this report sets out more detail on the Future Tandridge Programme, particularly how this has been adopted as the key mechanism for securing value for money in the delivery of services.

c. Monitoring Officer

As the Council's Monitoring Officer, I am required to report to the Council in any case where it appears that any proposal, decision, or omission by the authority has given rise to or is likely to or would give rise to any contravention of any enactment, rule of law or code of practice or maladministration or injustice in accordance with Sections 5 and 5A of the Local Government and Housing Act 1989; (LGHA 89).

I am satisfied that the Council has robust processes for decision making, however, there remains a need to ensure that a broader range of considerations as highlighted in the Council's Local Code of Corporate Governance are considered in the development of policies, projects and when making decisions.

I also have no significant concerns regarding overall Member conduct and there is now a positive relationship with Group Leaders that has helped to address any isolated issues that do arise. The Monitoring Officer also considers that the Council has an effective Standards Committee in place.

The Member Code of Conduct was reviewed during 2020/21 by the Standards Committee and updated, to address the areas of best practice identified by the committee on Standards in Public Life in its review of Local Government Ethical Standards. In particular, the Council adopted the Local Government Association's Model Code in the last municipal year. A further review will be considered by the Council early in the new municipal year.

Member Code of Conduct training has again been provided in the last year and there is considered to be good awareness of the requirements of the Code of Conduct. The Council has good procedures in place for review of both Members and Officers Register of Interests. There have been several complaints alleging a breach of the Member Code of Conduct during the past year and all of these have been dealt with in accordance with the Council's adopted procedures for handling such complaints.

d. Audit Opinion 2021/2022

Delivery of the Council's Internal Audit is carried out by Southern Internal Audit Service (SIAP) and managed by the Chief Finance Officer and Section 151 Officer. By reviewing the Council's systems of internal control, risk management and governance in accordance with an approved Audit Plan, SIAP contribute to the Council's corporate governance.

SIAP operates to defined professional standards, ie the Public Sector Internal Audit Standards (PSIAS) and the Client Audit Manager reports to the Council's Strategic Director (Chief Finance Officer and Section 151 Officer) providing updates on internal audit progress and issues at regular liaison meetings.

Regular updates are presented to the Audit and Scrutiny Committee throughout the year which outline the key findings of the internal audit work undertaken during 2021/2022, including any areas of significant weakness in the internal control environment.

A list of all limited or no assurance reviews are listed in the 2021/22 annual report and opinion that was presented to the Audit & Scrutiny Committee in September 2022.

In each instance where it has been identified the control environment was not strong enough or was not complied with sufficiently to prevent risks to the organisation, SIAP has highlighted such issues through reporting to management who have developed management actions to further improve the system of control and compliance. All management actions are followed through to implementation and reported to the Audit and Scrutiny Committee.

The Head of Internal Audit provided a 'Limited' opinion on the overall adequacy of and effectiveness of the Council's governance, risk and control framework and the extent to which the Council can rely on it to the Audit and Scrutiny Committee in September 2022.

This Internal Audit Opinion has been considered in the development of the Annual Governance Statement.

Our external auditors (Deloitte LLP) will issue their External Audit Report ISA260 report for 2021/2022 in due course. The external audit for 2021/2022 has not commenced for the reasons set out above, particularly pressures on the external audit market. The report will be considered by the Audit and Scrutiny Committee at the next scheduled meeting in March 2023. The document will summarise their key findings in relation to their external audit of the Council for 2021/2022 and will contain an opinion on the Council's financial statements, the control environment in place to support the production of timely and accurate financial statements and the Council's significant risk areas.

Our external auditors (Deloitte LLP) will issue their External Audit Report ISA260 report for 2021/2022 in due course. The external audit for 2021/2022 has not commenced for the reasons set out above, particularly pressures on the external audit market. The report will be considered by the Audit and Scrutiny Committee at the next scheduled meeting. The document will summarise their key findings in relation to their external audit of the Council for 2021/2022 and will contain an opinion on the Council's financial statements, the control environment in place to support the production of timely and accurate financial statements and the Council's significant risk areas.

11. Communications

- 11.1 The Council works hard to raise awareness and understanding among stakeholders about objectives, policies and services, as well as to improve and encourage proactive engagement between the Council and its stakeholders. In addition, the Council aims to consult widely and inclusively, listen to feedback and use it to inform policies.
- 11.2 The Council uses a range of channels to communicate with residents, businesses and customers. These include the website, e-newsletters which provide the latest information about initiatives and services, community news and events and social media.
- 11.3 Throughout the Covid-19 pandemic, the Council played an active role in promoting and signposting residents and businesses to the government's package of guidance and support measures. This has evolved into providing information to support residents and business during the cost-of-living crisis.

11.4 A residents' survey is carried out every two years to ask residents for their views of the Council, its services and their local area. The last survey was carried out in 2021 and one is planned for 2023. The 2021 results were presented to the Audit & Scrutiny Committee on 2 November 2021.

12. IT Strategy

12.1 The Council developed and approved an IT & Digital Strategy in June 2021. The overarching goal of the strategy is to improve service outcomes as well as reduce costs and to do this by making it easier for residents, partners and businesses to engage and transact with the Council.

12.2 The ambition is to provide efficient, cost-effective services 24/7 to a growing majority of the residents.

12.3 The digital aspirations were underpinned by three critical ambitions:

- Accelerating channel shift
- ICT modernisation and resilience
- Working smarter

12.4 It is proposed over the coming year to present a business case to develop the digital offering to residents and businesses. A review of the ICT estate will also be carried out, to provide insight on the best use of current technology and the benefits and cost of cloud migration. This work will be a key project within the Future Tandridge Programme.

13. Partnership

13.1 The Council continues to utilise partnership arrangements with other public bodies to deliver services. The Council, therefore, remains committed to meeting the challenge of ensuring that the appropriate governance arrangements are in place for each of the major partnerships that the Council has entered or will enter.

13.2 The Council has the following partnerships in place:-

Environmental Health – Mole Valley District Council and Tandridge District Council have operated a shared Environmental Health and Licensing service to protect residents and support businesses since April 2017. Mole Valley operates as the host authority for the delivery of the service. Each Council retains its licensing and regulatory committees and sub-committees. The Environmental Health Partnership is run through an inter-authority agreement which includes details of the Principles of the Shared Service, governance and monitoring. The Joint Partnership Board meets quarterly.

Building Control – the Council hosts the Southern Building Control Partnership, which includes Reigate and Banstead Borough Council and Mole Valley District Council. The partnership is governed by an inter-authority agreement, which is currently under review. The Joint Partnership Board, on which the councils are represented by Councillors and Officers, meets at least three times a year to approve the partnership’s budget, review income, performance and risk.

Internal Audit - the Southern Internal Audit Partnership has a key Stakeholder Board, in accordance with the Partnership Agreement. The Council’s Chief Financial Officer sits on this Board, which exists to discuss all areas of performance, professional practice, and sharing best practice.

Finance function – in March 2021, the Strategy & Resources Committee approved the Joint Working Agreement with Surrey County Council for Tandridge’s Finance Function. This was to address the issues of recruitment of a new S151 Officer and enhancing the resilience of the Finance team. At the heart of this Joint Agreement is the Tandridge Finance Transformation Programme (TFT). The arrangement is comprised of three phases concluded through a gateway process. Phase 1 was due diligence and completed in June, phase 2 is the delivery of the TFT due to conclude in April 2022 and phase 3 is a key gateway which will determine future options.

Wellbeing Prescription

The Wellbeing Prescription team has been supporting both Tandridge and Reigate and Banstead residents since 2015. The team is commissioned by NHS Surrey Heartlands ICS to support residents in East Surrey to improve their health and Wellbeing. The Strategy & Resources Committee approved a one-year extension to the current contract till March 2024. During the year a new model will be developed across East Surrey ready for a new commissioned contract in 2024.

14. Planning

- 14.1 During 2021/22, the Council received 1,219 valid planning applications and determined a total of 1,164 during this period. 98% of these decisions (1141) were delegated to officers and 2% determined by the Planning Committee (23). 83.5% (953) were granted - this is comparable with the overall average for England – and 188 refused.
- 14.2 During 2021/22, 86 appeals were decided by the Planning Inspectorate, 65% (56) were dismissed during the same period, 33% (28) were allowed and 2% (2) had a split decision.
- 14.3 During 2021/22, of the 86 appeals, 79 were planning appeals where 66% (52) were dismissed, 33% (26) were allowed and 1% (1) had a split decision.

- 14.4 During 2021/22, of the 86 appeals, 7 were planning enforcement appeals where 57% (4) were dismissed, 29% (2) were allowed and 14% (1) had a split decision.
- 14.5 During 2021/22 the Council issued 15 enforcement notices during this period. A total of 365 enforcement cases were opened and 391 were closed during this period. Officers issued 12 Enforcement Notices, 2 Breach of Condition, 1 Stop Notice.

15. Conclusion

- 15.1 The Council recognises the longer-term impact of the pandemic, alongside the current economic climate and general inflation cost pressures will continue to bring with it substantial risks to the Council and these will be monitored by the respective committees and EMT, with the Audit and Scrutiny Committee seeking assurance all possible mitigations are in place through its monitoring of this priority risk.
- 15.2 Satisfactory governance exists but improvements are required to ensure it is fully embedded and integrated across all areas of the Council. To achieve this, the main challenges facing the Council appear in the **Appendix** below with energy focused on achieving a balanced budget and delivering the Future Tandridge Programme.
- 15.3 It is proposed, over the coming year, to take the steps set out in the Appendix to further enhance the Council's governance arrangements. The Council is satisfied these steps will address the need for improvements that were identified in the review of effectiveness and the Head of Legal and Monitoring Officer will monitor their implementation and operation during the year and as part of the next annual review.

Appendix

Rationale for the statements *tbc* assurance opinion

Definition	Description
<p style="text-align: center;">Adequate</p>	<p>There are sound policies and processes in place, which are working effectively across services that provide for good governance arrangements and support compliance with requirements of this CIPFA Principle and the achievement of the Council's aims and objectives. There may be minor areas for continuous improvement, but these do not represent a significant or material risk to the council's overall governance framework.</p>
<p style="text-align: center;">Areas for further development and improvement</p>	<p>While there are policies and processes in place, there are some areas which remain a challenge for the Council or require further improvement, which may impact the effectiveness of elements of the Council's governance arrangements, compliance with this principle and achievement of the Council's aims and objectives. The Council has in place an action plan to address challenges and improvement matters.</p>
<p style="text-align: center;">Identified priority / urgent areas for improvement</p>	<p>The Council has significant challenges in relation to the policies and processes which may impact the effectiveness of elements of the Council's governance arrangements, compliance with this principle and achievement of the Council's aims and objectives. We have implemented plans for corrective actions to manage these risks.</p>

Core CIPFA Governance Principle	Overall assessment	What's working well	Where we can improve
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law		<ul style="list-style-type: none"> Following election to office in May each year, the Council has a full induction and training programme, including the Members Code of Conduct. Dependent on the roles allocated to councillors additional tailored training is provided. The Council's Monitoring Officer, together with Democratic Services, have joint overall responsibility for councillors' induction and support services for councillors. Councillors are required to declare interests. This and their attendance record and declarations at meetings are recorded on their individual page on the Council's website. Councillors receive an annual reminder from Democratic Services about the need to review and update their register of interests and that it is a legal requirement to declare and register all disclosable pecuniary interests - under the Localism Act 201, failure to register any disclosable interests within 28 days is potentially a criminal offence. The Code of Conduct for Members and Co-opted Members makes specific reference to the need to adhere to seven principles of public life (the Nolan principles). In April 2021 Full Council adopted the New Local Government Association (LGA) Model Code following consideration of the LGA version by the Council's Standards Committee in March 2021. 	<ul style="list-style-type: none"> The Council continues to build resilience to provide further assurance over its ability to deliver services within available funding and build a track record of managing within tight financial constraints. (s151 Officer) Whistleblowing Policy to be revised and updated in September 2023. (Head of Transformation and Business Support). The Monitoring Officer has a duty to write a report if the Authority or any of its committees proposes action that would be unlawful or amount to maladministration. Anti-Fraud, Bribery and Corruption Policy to be reviewed and updated in April 2023. This will reflect best practice guidance such as national Fighting Fraud and Corruption Locally Strategy. (Head of Legal) Anti-slavery requirements are built within the commissioning, procurement and contract management process. Our standard contract terms include clauses that specify the supplier's contractual obligation concerning Modern Slavery. The Council publishes a statement setting out the actions that are being undertaken to understand all potential modern slavery risks related to its business and actively ensure that there

- Our Constitution, including Contract Standing Orders were reviewed and updated during the financial year to ensure they remained legislatively compliant and reflect the organisation's operating arrangements. Changes were approved by Council at its meeting in April 2022.
- All formal meetings of the Council, ie committees, require declarations of interest from councillors of those committees as a standing item and meetings are minuted/recorded. There is also a councillor complaint form which is overseen and administered by the Council's Monitoring Officer function.
- All managers with financial budget responsibilities have been provided with a financial business partner to enable them to discharge their responsibility and ensure that all expenditure is evidenced, validated and justified.
- Effective management and coordination of multiple grants and funding streams in order to provide the required local outbreak management response during the COVID-19-19 pandemic.
- Updated annually Contract Standing Orders and a Procurement Board meets monthly which approves the appropriate procurement route for all significant expenditure.
- **Anti-Fraud, Bribery and Corruption Policy**

is no slavery or human trafficking in its own business and supply chains. On a voluntary basis, the Council should sign off a Modern Slavery Statement and complete the task in July 2023. (Deputy Chief Executive).

- Services are required to have regular team meetings, and one to ones with line managers and these are in addition to an annual performance setting discussion that inform key priorities and outcomes for the year (appraisals). Appraisals are to be introduced in April 2023 (Head of Transformation and Business Support)
- The Council is committed to maintaining good ethical governance, and its Local Code of Governance reflects the Seven Principles of Public Life in local government. To help enhance this process Officers have started to review its local Code and promote any changes. This will continue into 2022/2023. (Head of Legal)

		<ul style="list-style-type: none"> • The Council has appropriate whistle blowing policies and procedures in place which are reviewed annually and updated where required. Staff are aware of the Whistleblowing policy through the Council's intranet. • Staff continue to participate in Check-ins with their line managers focused on health and wellbeing, as well as broader performance themes. 	
<p>B. Ensuring openness and comprehensive stakeholder engagement</p>		<ul style="list-style-type: none"> • Council meetings and committees are routinely held in public unless there are good reasons for not doing so on the grounds of confidentiality/disclosure of exempt information which are provided for in statutory provisions. • Council meetings and committees are open to participation and available to view online. A calendar of dates of all upcoming Council and all committee meetings is available on the Council website. • Regular staff briefings from the Chief Executive to all council employees on Council issues and the senior management team's (EMT) response to them. • The Council has a designated Officer as IT Security Officer. This is now incorporated in the role of the IT & Project Delivery Manager. 	<ul style="list-style-type: none"> • Part 2 reports to be made available to all Councillors on the Mod Gov extranet. There may be some exceptions to this, at the discretion of the Monitoring Officer. (Head of Legal) • Decisions relating to Part 2 items to be set out in the public minutes and reported to Full Council. On the rare occasions when this is not appropriate, councillors will be advised how to access the relevant decisions via the Mod Gov extranet. (Head of Legal) • Identify a designated Officer as IT Security Officer. (Head of Transformation and Business Support) • EMT members to ensure relevant pages in their service areas are maintained and update on the Council's website (EMT)

		<ul style="list-style-type: none"> • The Council has a number of ways it makes residents and businesses aware of initiatives, projects and services. • The Council has Staff Conference meetings which involves staff representatives from several services in the Council meeting on a quarterly basis with the Chief Executive and other members of EMT. 	<ul style="list-style-type: none"> • Build on the forward plan that has been put in place March 2022 to include delegated decision reporting. In particular, it is proposed a list of any delegated decisions are circulated to councillors and added to the website. (Head of Legal)
<p>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits</p>		<ul style="list-style-type: none"> • The Strategic Plan sets out strategic priorities and an overall strategic direction to 2024 and demonstrates how the Council will use its resources to deliver these. • Since its launch in January 2015, Wellbeing Prescription has steadily expanded and is now offered to patients registered to all 18 East Surrey ICP GP surgeries, including all Tandridge GP surgeries. It provides a forum in which key leaders from the local health and care system work together to improve the health and wellbeing of the local population. • On the 13 February 2020 Full Council resolved to declare a climate emergency. An Action Plan is our roadmap to delivering greater sustainability. 	<ul style="list-style-type: none"> • Work is underway to develop a new Corporate Plan for 2024-2028. (Head of Policy and Communications) • The Council has not adopted a Local Plan. Delays relating to Covid-19 and clarity from government about housing numbers has meant little progress has been made on the strategic approach of the plan. The Planning Policy Working Group has been set up and meets regularly to discuss the options available. (Interim Chief Head of Planning) • Work on the Climate Change action plan has been limited due to lack of resources in this area. As part of the restructure for the Policy and Communications Team a new post will be created with the aim of progressing some of this work. (Head of Policy and Communications)
<p>D. Determining the interventions necessary to optimise the achievement of the intended outcomes</p>		<ul style="list-style-type: none"> • The Medium Term Financial Strategy details how we have planned all our resources, both financial and staffing to deliver against our priorities. Our performance framework has been developed to strengthen performance and the achievement of key objectives 	<ul style="list-style-type: none"> • The Council has faced significant financial challenges (increased costs, significantly reduced income and challenging savings targets) throughout 2021/2022. While the outturn position was underspent for 2021/2022, and contingencies carried over for 2022/2023, Covid-19 these

		<p>and outcomes. Performance is regularly and publicly reported through committee meetings.</p> <ul style="list-style-type: none"> • The decision-making process is objective and there is rigorous analysis of options and associated risks. To support this, there is a corporate and operational risk register. • The Monitoring and S151 Officers are consulted on all decision-making reports and they are able to provide their professional opinion on the matter being reported and actions / decisions to be taken. • The Council's Forward Plans set out clearly the forthcoming business that will be taken to the relevant committees and by key officers. This includes dates of meetings. The Council conforms to all legislation and best practice in publishing plans in advance of meetings etc. 	<p>challenges will continue to have an impact on the Council's finances over the next three years and will be critical to the medium-term financial planning (s151 Officer)</p> <ul style="list-style-type: none"> • Performance indicators and the risk registers are being reviewed as part of the re-introduction of service planning. (Head of Policy and Communications) • Reports have to be cleared by Monitoring and S151 Officers before publication. The volume of reports can sometimes allow little time for review. To seek to improve lead times. (Head of Legal) • The Procurement team will need to consider the changes brought about by the proposed procurement Reform Bill and Green Paper – 'Transforming Public Procurement' and changes to the Public Procurement thresholds. (s151 Officer)
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it		<ul style="list-style-type: none"> • The Council has adopted specific codes of conduct for councillors involved in planning or licensing decision-making and these councillors receive additional training in these areas as a pre-condition of their participation. • There is an induction programme in place for new staff, which is a combination of e-learning and face-to-face activities. Key information and policies are highlighted to them. 	<ul style="list-style-type: none"> • Completion of the nine mandatory training for new recruits is high whereas officers who are required to update their training is low, although it has been improving over the last 12 months. EMT to monitor compliance with the process and address areas of non-compliance with their own staff. (EMT) • Work to improve the staff induction programme is planned for 2023, along with training for the leadership team and other managers. (Head of Transformation and Business Support)

		<ul style="list-style-type: none"> • The Council’s approach to leadership engagement has also been strengthened through the further embedding of the Senior Leadership Group and the Executive Leadership Team. These two groups had new terms of reference in 2022 and have changed their names to Extended Management Team and Management Team. Both meet regularly and work to a structured plan. • The Council’s transformation programme called Future Tandridge Programme, which is led by Chief Executive, is focussed on ensuring the Council is more agile, leaner, and strategic to achieve the best outcomes with limited resources. 	<ul style="list-style-type: none"> • The Corporate Business Continuity Plan should be updated annually to ensure that it continues to meet the Council's needs. It therefore needs to be fully endorsed and actively promoted by EMT. Each EMT Member should regularly update their own service area business continuity plans, review them and check if their arrangements are still fit for purpose, up to date. This review is overdue. Also all members of EMT need to be trained, and exercised, on an annual basis to ensure that they are fully aware of how to implement the plan. The first test is scheduled for EMT on 28th March 2023 (EMT). • As per the recommendation response from the 2022 internal audit, business continuity plans and processes will be reviewed as the FTP emerges. The new structure will identify responsibilities in the newly defined service areas and therefore new Service Area Business Continuity Plans will be developed post transformation. During this interim period however, existing plans will still need to be kept up to date and exercised (EMT).
<p>F. Managing risks and performance through robust internal control and strong public financial management</p>		<ul style="list-style-type: none"> • The Council adopted a new Risk Management Strategy in July 2021, which was part of a risk management assessment led by Internal Audit. Improvements to the Strategy and internal processes have been implemented ahead of its annual review in July 2022. 	<ul style="list-style-type: none"> • The Council’s approach to risk and maintenance of risk registers is under review. (Head of Policy and Communications) • Our annual audit opinion, as provided by Internal Audit, is ‘Limited’. However the majority of the improvements identified in the 2021-2022 audit year have been

		<ul style="list-style-type: none"> • A transformation of our Planning (development management) service has been completed, and the team now has adequate resourcing in place. • Most tenants are paying their rents in accordance with agreed payment schedules. • It was agreed by the Investment Sub-Committee that no further investment property acquisitions that are purely to generate net yield were to be purchased. • A Debt Recovery Policy, aimed at improving the administration of income due to the Council, was approved by Strategy and Resources in February 2022. The objective was to maximise the recovery of income and minimise the amount of aged debt that needs to be written-off, improving the Council's cashflow and total income raised. 	<p>completed. Hence the AMBER traffic light rating. (s151 Officer)</p> <ul style="list-style-type: none"> • The Tandridge Finance Transformation Programme is complete and was reported to Audit & Scrutiny Committee on 5 July 2022 with key improvements delivered in the structure and resourcing of finance, engagement with budget holders, training and proper scrutiny of budget development. A continuing improvement programme for Finance is under way and will report back to Audit & Scrutiny Committee. (s151 Officer). • Covid-19 has placed even greater financial pressure on local authorities during 2020/2021 and 2021/2022. The volatility and significant financial, fiscal and economic risk makes forecasting and planning difficult. Financial resilience and sustainability is a significant risk for the future. A refresh of the MTFs occurs annually, which includes a review of all reserves. The budget for the Housing Revenue Account and its 30-year business plan is considered annually at the Housing Committee, supported by independent Housing Finance experts. (s151 Officer)
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability		<ul style="list-style-type: none"> • The Council has a published constitution setting out how decisions are taken and how the public can get involved in decision making, including access to information and petitions. The Constitution was last agreed by Full Council in December 2022. 	<ul style="list-style-type: none"> • In order to effectively assess service level risk and ensure this is considered within the wider corporate risk framework, a broader programme of risk management training in 2022-23 will be delivered. This programme will specifically address those Officers

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| | | <ul style="list-style-type: none">• The Council seeks to write and communicate reports and other information for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.• The Council webcasts its Council and committee meetings to ensure maximum transparency. As a result of the Covid-19 pandemic the Council introduced virtual meetings and continues to webcast all Council and committee meetings.• The Council website is used to publish news and information to ensure transparency of its actions.• The Council's Constitution sets out the terms of reference of all Committees to ensure information is presented to the appropriate Committees. Access to Information rules set out how the Council maintains good public access to information and reports.• The Council established its Code of Corporate Governance and it was presented to the Audit and Scrutiny Committee in 22nd March 2022. | <p>outside of EMT. (Head of Policy and Communications)</p> <ul style="list-style-type: none">• Each service area to regularly review their service area data and retention. In particular, to ensure a reduction in the number of emails stored as unstructured data in outlook accounts. (Head of Legal/Head of Transformation and Business Support).• Review to improve efficiency and effectiveness in the handling of freedom of information requests. This is being looked into and it is anticipated that the exercise will be completed in April 2023. (Head of Legal) |
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ACTION PLAN - PROGRESS ON ACTIONS IDENTIFIED IN THE 2020-2021 STATEMENT

Key:

- CIP Ref – Corporate Improvement Plan reference number
- CE – Chief Executive
- CFO – Chief Financial Officer and Section 151
- HofL – Head of Legal and Monitoring Officer
- EHofC – Executive Head of Communities
- CPO – Interim Chief Planning Officer

CIP Ref	Action Description	ELT Lead	Due Date	Notes
Page 76	Explore use of 360 degree staff appraisal tools / Review staff 'check-in' process.	Reallocated task to Head of Transformation and Business Support	31/01/2022	<p>ONGOING</p> <p>Mandatory face to face appraisal training workshops will be taking place in February 2023 for all employees who have line management responsibilities</p> <p>The training is being provided by an external trainer and workshops will last for approximately 3 hours.</p> <p>To go live at the beginning of April 2023.</p>
4	Consider best approach to replacing the Executive Head of Corporate Resources who left the Council in August 2021.	CE	COMPLETED	Instead of replacing an Executive Head of Corporate Resources the Council has appointed a Deputy

	<i>Dependent on Strategy & Resources Committee and CE reviewing Impower's report.</i>			Chief Executive. The Deputy will be joining the Council at the end of February 2023. The post of Executive Head of Corporate Resources has been deleted.
5	Recruit interim Head of Human Resources.		COMPLETED	An interim Head of Human Resources was appointed. However, she resigned after a few months and a consultant was subsequently appointed. The HR Team are going through a service review under the Future Tandridge Programme. The need for further recruitment is being considered within the service review.
6	Produce business case to ensure there is sufficient capacity in Planning following the release of the PAS report.	CPO	COMPLETED	
7	Deliver Tandridge Financial Transformation (TFT). <i>Since the presentation of the GT report and its associated recommendations the Finance team are working to pull together a comprehensive plan of action to address all the underlying issues in Finance to allow the TFT to be built on a stable footing. That plan is currently being pulled together from a number of sources which will prioritise those that are urgent which will enable us to publish the 20/21 Outturn Report, have the 20/21 Accounts signed and provide Councillors with confidence they need to approve the 22/23 Budget. Those urgent actions associated with the GT recommendations will be discussed at the next A&S meeting on 2nd November.</i>	CFO	COMPLETED	
9	Ensure compliance with mandatory fraud awareness training	CFO/ Specialist Service Manager	31/03/2022	ONGOING Training for both the Revs and Bens and Housing staff is to be completed under the MOU with RBBC. Discussions are ongoing regarding the MOU. This has been raised as a priority. Anticipated to be completed May- July 2023.

10	Adopt a Code of Governance, bringing together in one place all elements of the Council's governance system.	HofL	COMPLETED	
12	Keep under review the governance arrangements of the Gryllus Holdings Ltd Board to ensure that it is proportionate and reflects best practice for local authority property companies.	EHofC, CFO	COMPLETED	
13	Deliver all Health & Safety improvement actions due in 2021/22, as per the recent internal audit, and include a summary of Health & Safety governance in the next edition of the annual governance statement.	EHofC (Reallocated task to Head of Transformation and Business Support)	30/03/2022	ONGOING The Council is in the process of appointing a new Health and Safety Officer. This post will be shared with Elmbridge Borough Council. It is anticipated that someone will be in post May/ June 2023.
30	Chief Executive and Executive Team to review the Strategic Plan with Councillors to ensure it reflects the Council's priorities with respect to its resources and capacity.	CE	30/06/2022	ONGOING A Strategic Plan has been replaced by a new "Corporate Plan". Workshops with Members are due to commence in March 2023.
32	Implement Customer First Audit Management Actions.	CE, HofL	Completed and audit closed	

Local Code of Corporate Governance

Document History

Version	Date	Author	Change description	Review & approved by
1	28/01/2021	Improvement Adviser	First draft.	Noted by Audit & Scrutiny Committee
2		Head of Legal & Programme Management Officer	Second draft.	
Next review date: March 2023				

Introduction

Corporate governance is a term used to describe the way that organisations direct and control what they do. For local authorities, it includes the systems, policies and processes as well as the cultures and values that underpin a council's arrangements for effective

- Leadership
- Management
- Performance
- Delivery of positive customer outcomes
- Community engagement
- Stewardship of public money

Tandridge District Council (**The Council**) is responsible for ensuring a sound system of governance; that its business is conducted in accordance with the law and proper standards; that public money is safeguarded, properly accounted for and used; and that it exercises its functions efficiently and effectively. Councillors and Officers are responsible for putting in place proper arrangements for the Council's governance and the stewardship of its resources, and for regularly reviewing those arrangements.

The Council is committed to demonstrating that it has the necessary corporate governance arrangements in place. The Council has developed and adopted a local Code of Corporate Governance which brings together in one document all the governance and accountability arrangements the Council currently has in place.

Principles of good corporate governance

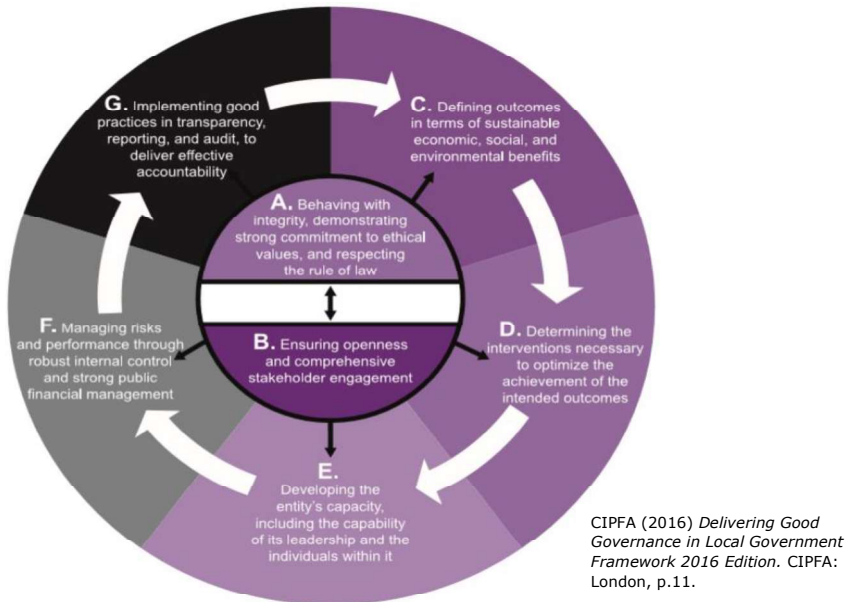
This document is based upon the CIPFA/SOLACE Framework: Delivering good governance in local government.¹ The aim of the principles is that the local authority achieves its intended outcomes while acting in the public interest at all times. The principles are as follows:

- A.** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;

¹ CIPFA (2016) *Delivering Good Governance in Local Government Framework*, 2016 Edition. CIPFA: London.

- B.** Ensuring openness and comprehensive stakeholder engagement;
- C.** Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D.** Determining the interventions necessary to optimize the achievement of the intended outcomes;
- E.** Developing the entity's capacity, including the capability of its leadership and the individuals within it;
- F.** Managing risks and performance through robust internal control and strong public financial management; and
- G.** Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The diagram below describes how the Council achieves the seven principles of good governance and describes how the Council's corporate governance arrangements will be monitored and reviewed.



Putting the principles into practice at the Council

The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure transparency and accountability. Some of these processes are required by law, while others have been adopted at the Council's discretion. Much of the Council's approach to addressing the principles of good governance is contained within it. More specific details of the way that the Council applies the principles in practice are set out in the table below.

Monitoring and reporting

Regulation 6 of the Accounts and Audit Regulations 2015 and the Accounts and Audit (Coronavirus) (Amendment) Regulations 2021 require an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published statement of Accounts. This is known as an Annual Governance Statement.

The Council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date and working effectively. Where monitoring reviews of the corporate governance arrangements have revealed gaps, actions will be planned to enhance the governance arrangements accordingly.

The Council will prepare an Annual Governance Statement which will be submitted to the Audit and Scrutiny Committee for consideration and will form part of the Council's annual Statement of Accounts.

The Annual Governance Statement is published with the Council's accounts, on the Council website. Progress updates on implementation of actions arising from the Annual Governance Statements are provided to Audit and Scrutiny Committee during the year.

Certification

We hereby certify our commitment to this Local Code of Corporate Governance and will ensure that the Council continues to review, evaluate and develop the council's Governance arrangements to ensure continuous improvement of the Council's systems.

INSERT SIGNATURE

INSERT SIGNATURE

Leader of the council
Date:

Chief Executive
Date:

Applying the principles of good governance²

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

What this means in practice:

The Council is accountable not only for how much it spends, but also how it uses the resources under its stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes it has achieved. In addition, it has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, the Council can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and respect the rule of the law.

The Council supports the above principle by:

Supporting principles	How does Tandridge District Council achieve this?	This is evidenced and supported by:
We will behave with integrity.	<ul style="list-style-type: none"> Ensures members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated. Leads by example, ensuring members take the lead in establishing specific standard operating principles and 	<ul style="list-style-type: none"> A Code of Conduct for Members to ensure high standards of conduct are maintained. The code also applies to Members of Committees and co-opted Members. Established a procedure for dealing with breaches of the Member Code of Conduct. Registers of Members' interests are published on the Council website. Members must declare gifts or hospitality with an estimated value of at least £50. Records of gifts and hospitality and standard form have been established and will be published on the Council website.

² The table below contains content modified from: CIPFA (2016) *Delivering Good Governance in Local Government Framework*, 2016 Edition. CIPFA: London.

	<p>values (building on the Seven Principles for Public Life) for the Combined Authority and the Local Enterprise Partnership and its staff and that they are communicated and understood.</p> <ul style="list-style-type: none"> Utilise the operating principles and values above as a framework for decision making and other actions. Demonstrate, communicate and embed the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively. 	<ul style="list-style-type: none"> Officers must declare any gifts or hospitality received. Standard decision-making reporting format and processes in place to ensure that all those responsible for taking decision have the necessary information on which to so do Members' declaration of interests is a standing item on all agendas. Minutes show declarations of interest were sought, and the appropriate declarations made. A complaint and Whistleblowing Policies have been updated. Induction programmes for new staff incorporate the required standard of behaviour expected will be developed. <p>Key documents include: Constitution, Member Code of Conduct, Declarations of Interest forms, Whistleblowing Policy, Complaints Policy.</p> <p>In Progress: Staff Code of Conduct.</p>
<p>We will demonstrate strong commitment to ethical values.</p>	<ul style="list-style-type: none"> The Anti-Fraud, Bribery and Corruption Policy is there to discourage inappropriate activities and to encourage the reporting of any instances found. Members are required to declare any conflicts of interest annually and at Committee and Full Council meetings. Employees are required to notify their line manager of any conflicts of interest. 	<ul style="list-style-type: none"> Anti-Fraud, Bribery and Corruption Policy was revised during 2020/21 and an assessment of fraud and risk would be reported to the Audit and Scrutiny Committee twice a year. Ensuring that external providers of services on behalf of the organisation (through tenders /contracts) are required to act with integrity and in compliance with ethical standards expected by the organisation. All Committees and working groups have clear terms of reference. Annual reports are published regarding audit activities and governance arrangements. <p>Key documents include: Constitution, Annual Governance Statement, Register of Interests, Anti-Fraud and Corruption Policy.</p>

		<p>In Progress: Annual Officer appraisals to be reviewed and include awareness and contribution to ethical values and priorities, development of new Corporate Values framework.</p>
<p>We will respect the rule of the law.</p>	<ul style="list-style-type: none"> • Ensures Members and Officers demonstrate a strong commitment and adheres to relevant laws and regulations. • Creates the environment to ensure that the statutory Officers, Chief Officers and Members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements, optimising full powers available to the benefit of communities, citizens and other stakeholders. • Deals with breaches of legal and regulatory provisions promptly and effectively. 	<ul style="list-style-type: none"> • The Council has in place a Monitoring Officer who works with Members and Officers to ensure that the law is adhered to. • The S151 Officer is designated the Chief Finance Officer and is responsible for ensuring a balanced budget. • Internal Audit will report regularly on activity and outcomes to the Audit & Scrutiny Committee based on assurances gained and issues identified where appropriate. • The Council maintains a record of complaints made to the Local Government Ombudsman as well as self-referring to the Information Commissioner where information data breaches occur, and actions taken to improve processes. • Legal and finance advice is given in reports for all decisions to be taken by Members. <p>Key documents include: Constitution includes Financial Regulations and Contract Standing Orders, Service agreement with SIAP to provide Internal Auditor Services, Service agreement with External Audit.</p>
<p>Principle B - Ensuring openness and comprehensive stakeholder engagement</p> <p>What this means in practice:</p> <p>The Council is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens, and service users, as well as institutional stakeholders.</p> <p>The Council supports the above principle by:</p>		

Supporting principles	How does Tandridge District Council achieve this?	This is evidenced and supported by:
Openness.	<ul style="list-style-type: none"> • Supports an open culture through demonstrating, documenting and communicating the Council's commitment to openness. • Makes decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. Where a decision is considered confidential, reasons for this are provided. • Provides clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear. • Uses formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action. 	<p>This is evidenced and supported by:</p> <ul style="list-style-type: none"> • The Council is committed to openness and holds meetings in public wherever it can. A schedule of Council meetings is available on the Council's website. • The agendas, reports and minutes of meetings are published on the Council's website. All reports contain details of options considered and the advice provided by Officers regarding legal and financial implications. The minutes include the reasons behind the decisions made. • The Council's website provides a range of information that is freely available to the public under its publication scheme. It includes: organisational structures; senior officer pay; information on recycling and rubbish; spending and financial information; decision-making, including schedules of Council meetings and supporting papers. • Bringing regular budget monitoring reports to our policy committees. • Having a Strategic Plan that illustrates where the Council is directing its resources. • The Committee forward plan of all decisions to be taken is published each month. https://tandridge.moderngov.co.uk/mgListPlans.aspx?RPID=186&RD=0&bcr=1 <p>Key documents include: Constitution, committee meeting timetable, agenda and minutes, video recordings, Strategic Plan, annual budget reports.</p> <p>In progress: review of the Strategic Plan.</p>

<p>We will engage comprehensively with institutional stakeholders.</p>	<ul style="list-style-type: none"> • Wherever we seek the views of our community, we endeavour to provide feedback on the information received and how we have used this to shape the Council's decisions. • Ensure regular performance / contract management / partnership meetings are scheduled with key partners; e.g. for shared services (environmental health), key contractors (Biffa) and policy development (Surrey County Council). 	<ul style="list-style-type: none"> • The Council's annual resident's survey. A report on the results is taken to our Audit and Scrutiny Committee. • Council's Procurement Strategy, which ensures suppliers are chosen according to the Council's requirements and deliver value to residents. <p>Key documents include: Formal partnership contracts / service level agreements / memorandums of understanding in place, which include performance monitoring requirements.</p>
<p>We will engage stakeholders effectively, including citizens and service users.</p>	<ul style="list-style-type: none"> • Ensures communication methods are effective and that members and officers are clear about their roles with regard to community engagement. • Encourages, collects and evaluates the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs. • Implements effective feedback mechanisms in order to demonstrate how their views have been taken into account. 	<ul style="list-style-type: none"> • Annual resident's survey. • Customer services team in place to triage resident enquiries (phone and online) and complaints. • Organisational case management system in place to process and respond to external enquiries.

- Balances feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.

Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits

What this means in practice:

The long-term nature and impact of many of the Council’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the Council’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

The Council supports the above principle by:

Supporting principles	How does Tandridge District Council achieve this?	This is evidenced and supported by:
We will define outcomes	<ul style="list-style-type: none"> • Maintains a statement of the Council’s purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation’s overall strategy, planning and other decisions. • Identifies the intended impact on, or changes for, stakeholders including citizens and service users, both in the short and long term. • Delivers defined outcomes on a sustainable basis within the 	<ul style="list-style-type: none"> • The Council is in the process of establishing a clear vision of what it wants to achieve for the District and this will be set out in the Strategic Plan. This Plan will be informed by an analysis of the needs of the District and through consultation. • Effective budget reporting processes ensures sustainability is effectively managed. • Performance monitoring reports are taken to each policy committee. <p>Key documentation includes: Strategic Plan, Budget Monitoring Reports to Committees, Risk Management Strategy, quarterly performance and risk committee reports.</p> <p>In progress: review of the Strategic Plan, service plans.</p>

	<p>resources that will be available.</p> <ul style="list-style-type: none"> • Identifies and manages risks to the achievement of outcomes. • Manages service user's expectations effectively with regard to determining priorities and making the best use of the resources available. 	
<p>We will provide sustainable economic, social and environmental Benefits.</p>	<ul style="list-style-type: none"> • Considers economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision. • Takes a longer-term view regarding decision making, taking account of risk and acting transparently where there are potential conflicts between intended outcomes and short-term factors such as the political cycle or financial constraints. • Determines the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, to ensure appropriate trade-offs. 	<ul style="list-style-type: none"> • The declaration of a climate change emergency and the drive to embed carbon reduction across the organisation. There is a climate change implications section in each committee report, and an associated climate change impacts document to assist report authors. Further the Council has a Councillor – Officer climate change working group in place. • The council hosts a District Health and Wellbeing Board and provides a NHS funded social prescribing service. • Social value is incorporated into procurement activities. <p>Key documentation includes: Climate Change action plan, draft carbon footprint report, Procurement Strategy.</p>

Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes

What this means in practice:

The Council achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. It needs to ensure that it's defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

The Council supports the above principle by:

Supporting principles	How does Tandridge District Council achieve this?	This is evidenced and supported by:
We will determine interventions.	<ul style="list-style-type: none"> Ensuring Members receive objective and rigorous analysis of a variety of options in reports indicating how intended outcomes would be achieved and associated risks. 	<ul style="list-style-type: none"> Reports for member decisions include options appraisals. Reports for member decisions include information about consultation with residents, businesses and other stakeholders where appropriate. Delivery of Strategic Plan objectives is monitored and managed at operational level through directorate team meetings, with programme boards for the largest areas of activity. Internal audit reports are used to form governance improvement actions. Use of programme and project management techniques. Budget setting and monitoring processes in place. <p>Key documents include: Corporate and policy committee risk registers, Internal Audit action plan, medium term financial plan, Strategic Plan, draft Programme & Project Management (PPM) Handbook.</p> <p>In progress: finalise and approve the PPM Handbook.</p>

<p>We will plan interventions.</p>	<ul style="list-style-type: none"> • Ensures that those making decisions, whether for the authority or any partnerships, are provided with information that is fit for purpose, relevant and timely. • Ensures that proper professional advice on matters that have legal or financial implications is available, recorded and used appropriately. 	<ul style="list-style-type: none"> • Financial reporting processes which include budget setting processes and budget monitoring are clearly defined to highlight budget pressures where intervention may be required. • Committee reports requiring legal and financial authorisation prior to issue. • Financial and legal representation at committee meetings. • Establishing appropriate key performance indicators (KPIs) and risks which are reported back to Members so that they can see how the performance of services is measured. <p>Key documents include: Committee Reports and minutes.</p>
<p>We will optimise achievement of intended outcomes.</p>	<ul style="list-style-type: none"> • Ensures that risk management is embedded into the culture of the Council, with Members and managers at all levels. • Ensures that effective arrangements for whistleblowing are in place and accessible to Officers and all those contracting with or appointed by the authority. 	<ul style="list-style-type: none"> • Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage. • The annual budget is prepared for scrutiny and approval by Members and published in line with agreed priorities and the medium term financial strategy. • A whistleblowing policy which is accessible to all, detailing key officers and processes. <p>Key documents include: Whistleblowing policy, Risk Management Strategy, risk registers.</p>

Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it

What this means in practice:

The Council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. It must ensure that it has both the

capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that it's management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual Officers. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

The Council supports the above principle by:

Supporting principles	How does Tandridge District Council achieve this?	This is evidenced and supported by:
<p>We will develop the entity's capacity.</p>	<ul style="list-style-type: none"> • Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness. • Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently. • Recognising the benefits of partnerships and collaborative working where added value can be achieved. 	<ul style="list-style-type: none"> • Departmental management meetings in place where issues can be escalated by service managers. • Member Development Programme. • Internal Audit in place as a third line of defence regarding officer skills and training. • Compliance with mandatory staff training is monitored by HR. • EAP and occupational health services support for staff health and wellbeing. • Roles of Councillors and Officers are set out in the Council's constitution and in officer job descriptions • Regular service performance and county benchmarking in place. <p>Key documents include: Staffing structure, Partnership and Service Level Agreements, job descriptions, constitution, quarterly performance reports, Internal Audit reports.</p> <p>In progress: Officer appraisal and development framework, service reviews being undertaken to assess potential for further partnership working.</p>

<p>We will develop the capability of the entity's leadership and other individuals.</p>	<ul style="list-style-type: none"> • Ensure the Chief Executive is responsible and accountable to the Council for all aspects of operational management • Ensure the Section 151 Officer is responsible to the Council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control. • Appoint a professionally qualified and experienced Section 151 Officer who will lead the promotion and delivery of good financial management, safeguarding public money and ensuring appropriate, economic, efficient and effective use of funds; together with professional accountability for finance staff throughout the Council. • Having a framework in place that specifies the types of decisions that are delegate and those reserved for the collective decision making of the governing body. 	<ul style="list-style-type: none"> • The Council has established an organisational structure and is in the process of reviewing and recruiting to that structure. The aim is to have a lean organisation to achieve its objectives most effectively and efficiently. • Member induction programme. • Officer training budget. <p>Key documents include: Staffing structure, HR policies, scheme of delegation and contract standing orders (CSOs).</p> <p>In Progress: Future Tandridge programme, Officer appraisal and development framework.</p>
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Principle F - Managing risks and performance through robust internal control and strong public financial management

What this means in practice:

The Council needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the achievement of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

The Council supports the above principle by:

Supporting principles	How does Tandridge District Council achieve this?	This is evidenced and supported by:
We will manage risk.	<ul style="list-style-type: none"> • The Audit and Scrutiny Committee has overall responsibility for the Council's governance and risk management arrangements. • Ensure that risk management is embedded into the culture of the Council, with Members and managers at all levels recognising that risk management is part of their job. • Ensure our arrangements for financial and internal control 	<ul style="list-style-type: none"> • Multi-level risks registers, i.e. corporate, committee and service-level. • Performance and risk management processes and reporting in place. • Financial regulations and budget reporting and monitoring. • The annual Internal Audit plan which is informed by corporate risks. • Procurement strategy and contract procedure rules. • Information Governance Board and Data Protection Officer in post. • The s151 Officer is appropriately qualified, experienced and complies with the CIPFA statement on the role of the Chief Financial Officer in Local Government.

	<p>and management of risk are formally addressed within the annual governance reports.</p> <ul style="list-style-type: none"> • Ensure that quarterly performance risk reports are produced for each policy Committee and used to hold senior Officers to account. 	<p>Key documents include: Risk management strategy, risk registers, Medium Term Financial Strategy.</p>
<p>We will manage performance.</p>	<ul style="list-style-type: none"> • Monitors service delivery effectively including planning, specification, execution and independent post implementation review. • Makes decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook. • The Chief Finance Officer is the authority's S151 and is responsible for ensuring that effective financial management is in place. • The Council has an established approach to financial governance involving Members, senior Officers. 	<ul style="list-style-type: none"> • Quarterly performance and risk reports taken to each policy committee. • Performance and risk are standard agenda items for departmental leadership meetings. • Corporate performance report taken to the executive team monthly, and quarterly benchmarking reports. <p>Key documents include: quarterly performance and risk reports.</p> <p>In progress: service plans for each team.</p>

<p>We will have robust internal control.</p>	<ul style="list-style-type: none"> • Evaluating and monitoring risk management and internal control on a regular basis. • Ensuring effective counter fraud and anti-corruption arrangements are in place. 	<ul style="list-style-type: none"> • Internal Audit arrangements in place and conducted by Southern Internal Audit Partnership (SIAP). • Annual audit plan and quarterly audit progress reports taken to Audit & Scrutiny Committee. • Assurance statement issued to all service managers as part of the preparation for the Annual Governance Statement. This is viewed in parallel with this document (the local code of corporate governance). • Performance, risk and audit action monitoring conducted monthly (at a minimum). • Anti-Fraud and Corruption Policy in place, and fraud risks managed via operational risk registers. <p>Key documents include: internal audit committee reports, Annual Governance Statement, Local Code of Corporate Governance, Anti-Fraud and Corruption Policy.</p>
<p>We will manage data.</p>	<ul style="list-style-type: none"> • The Council has a Data Protection Officer and policy in place to ensure that personal data is held securely and managed appropriately. • The Data Protection Officer has set up Data Champions within each department and they meet quarterly. 	<ul style="list-style-type: none"> • Data Subjects are informed why their personal information is being collected and how it will be processed (including when shared with other bodies) through the appropriate form of privacy notices. • Information Sharing Agreements are in place to document the sharing of information with other organisations. • Data verification and validation processes are integrated within systems and processes. • Procedures are in place for reporting data breaches which are recorded and reviewed to identify any remedial process actions required. • Details of data breaches will be reported to senior management with self-referral to the ICO if considered appropriate. • Information governance management team is in place and meet quarterly.

		<ul style="list-style-type: none"> • Data protection impact assessments conducted as necessary. <p>Key documents include: Data Protection Policy, Data Quality Policy, Information Governance Management Policy, Information Security Policy, IT Acceptable Use Policy, PCI-DSS Payment Card Industry – Data Security Standard Policy, Record of Processing Activities, Records Management Policy.</p> <p>In progress: Mandatory Officer training, review/update of Record of Processing Activities, staff data champions.</p>
<p>We will implement strong public financial management.</p>	<ul style="list-style-type: none"> • Ensures financial management supports both long term achievement of outcomes and short-term financial and operational performance. • Ensures well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls. 	<ul style="list-style-type: none"> • The S151 Officer is appropriately qualified, experienced and complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government. • The S151 Officer prepares and advises the Council on its Medium Term Financial Strategy and the budget. • Regular budget monitoring reports are provided to Members and Officers. • Financial Regulations provide a framework for the day to day management of the Council’s financial transactions. <p>Key documents include: Financial Regulations, Budget monitoring reports.</p> <p>In progress Medium Term Financial Strategy</p>
<p>Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p> <p>What this means in practice:</p> <p>Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.</p> <p>The Council supports the above principle by:</p>		

Supporting principles	How does Tandridge District Council achieve this?	This is evidenced and supported by:
We will implement good practice in transparency	<ul style="list-style-type: none"> • Produces reports for the public and other stakeholders in an understandable style appropriate to the intended audience, ensuring that they are easy to access and interrogate. • Strikes a balance between providing the right amount of information to satisfy transparency but can be understood by users to encourage public scrutiny. 	<ul style="list-style-type: none"> • Committee reports are written in a standard template and are informed by the Council's style and tone writing guide. • Compliance with the local government transparency code, with information published on the Council website in a timely manner. <p>Key documents include: See footnote for links to openly published information.³</p> <p>In progress: Freedom of information requests and responses to be published on the Council's website.</p>
We will implement good practices in reporting	<ul style="list-style-type: none"> • Put in place effective transparent and accessible arrangements for dealing with complaints. • Maintain effective arrangements for determining the remuneration of senior Officers and publish an Annual Pay Policy statement in accordance with the requirements of the Localism Act 2011. 	<ul style="list-style-type: none"> • A quarterly complaints report is taken to Audit & Scrutiny Committee • Pay policy and information published on the Council's website. <p>Key documents include: Complaints Policy, Pay Policy Statement.</p>

³ For further information see the following Council webpages: Transparency and open data - <https://www.tandridge.gov.uk/Your-council/Freedom-of-information-and-data/Transparency-and-open-data>; Publication scheme - <https://www.tandridge.gov.uk/Your-council/Freedom-of-information-and-data/Transparency-and-open-data/Publication-scheme>.







<p>Assurance and effective accountability</p>	<ul style="list-style-type: none"> • Ensures that recommendations for corrective action made by Internal Audit are acted upon. • Encourages peer challenge, reviews and inspections from regulatory bodies and implementing recommendations. • Obtains assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement. • Ensures that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met. 	<ul style="list-style-type: none"> • Internal Audit provide assurances throughout the year on the key systems of internal control and produce an annual opinion report which is published and considered by Audit and Scrutiny Committee. • All observations noted in Internal Audit reports are addressed by the creation of associated management actions that will address risk issues. These are monitored at committee quarterly. • Peer review conducted for the Development Management service. • Annual Governance Statement includes an action plan. • The External Auditor provides assurance on the Council’s financial statements. • Procurement strategy, contract standing orders and partnership contracts, memorandums and agreements are used for each formal partnership. <p>Key documents include: Internal Audit annual opinion report, Annual Governance Statement.</p>
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Responsibilities

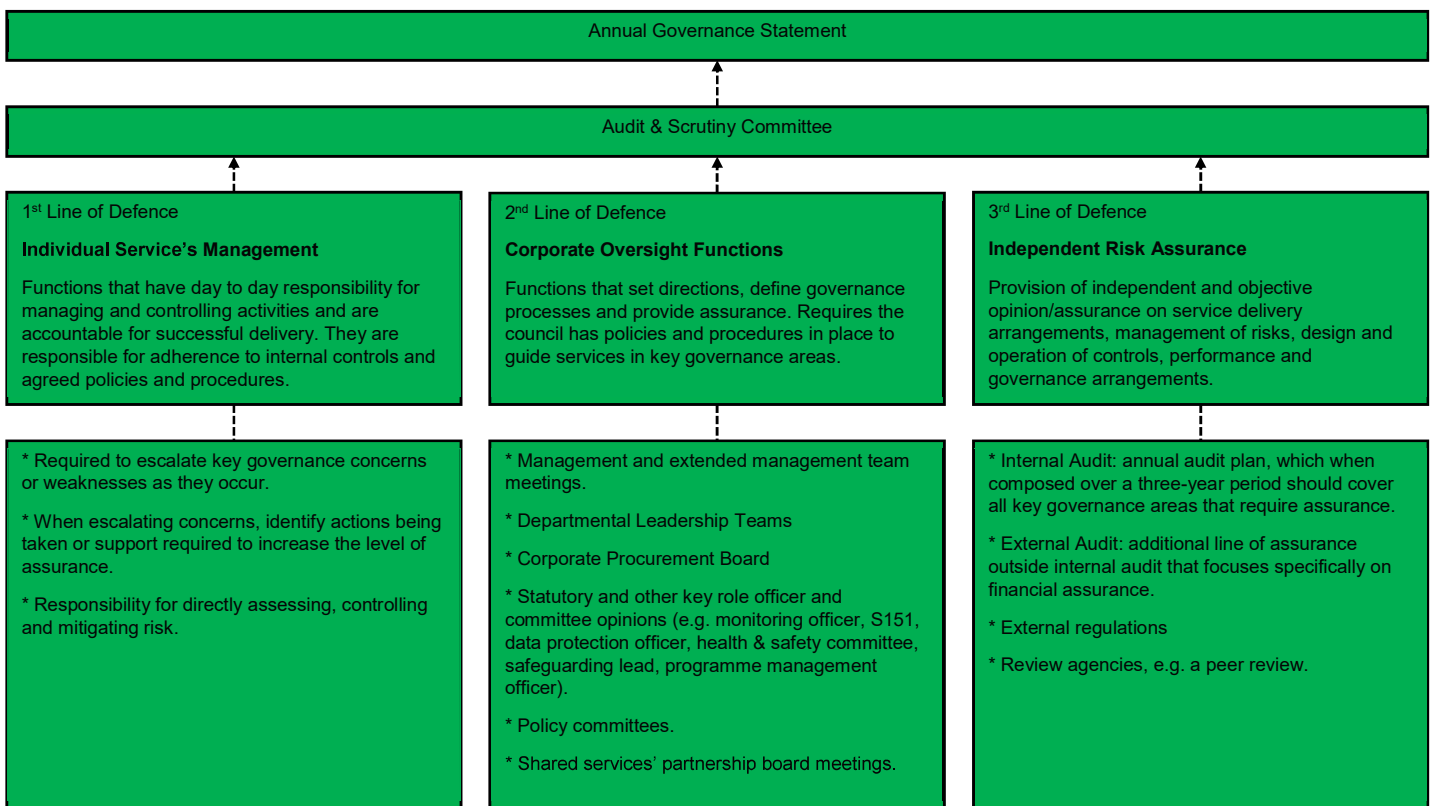
Corporate governance and good governance are everyone's responsibility. There are however a number of specific responsibilities in relation to the implementation, monitoring and review of the Code and the production of the Annual Governance Statement, as outlined below:

Leader of the Council	Championing and role modelling good governance, in the spirit of the Code.
Head of Paid Service (Chief Executive)	Championing and role modelling good governance, in the spirit of the Code.
Head of Legal Services & Monitoring Officer	Overseeing the implementation and monitoring of the Code. Reviewing the operation of the Code and advising on any changes that may be necessary to maintain it and ensure its effectiveness in practice. Undertaking an annual review of the Code to provide assurance on the extent of compliance with it, and reporting on the extent of that assurance in the Annual Governance Statement.
Chief Financial and Section 151 Officer	Leading the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
Head of Internal Audit (Southern Internal Audit Partnership)	Reporting to the Audit and Scrutiny Committee on audit activities during the year, with particular emphasis on the systems of internal control and arrangements for corporate governance.

Governance structure

<p>The Council</p> 	<ul style="list-style-type: none"> • Consists of 42 councillors. • Approves the constitution. • Appoints committees and sub-committees. • Sets council tax. • Set budget framework
<p>Policy Committees</p> 	<ul style="list-style-type: none"> • Main decision-making function of the council. • Comprises four committees who have responsibilities for particular areas. • Subject to political oversight of the council. • Membership is politically balanced.
<p>Audit & Scrutiny Committee</p> 	<ul style="list-style-type: none"> • Provides assurance to the council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment. • Approves the Local Code of Governance, Annual Governance Statement and the Statement of Accounts. • Review and scrutinise decisions and performance of the Council and audit arrangements.
<p>Other regulatory committees</p> 	<ul style="list-style-type: none"> • Licensing: deals with all aspects of local licensing for which the council is responsible. • Planning: makes decisions on certain planning applications and deals with other development control issues such as enforcement. • Standards committee: promoting and maintaining high standards of conduct by Councillors and co-opted Councillors.
<p>Management Team</p> 	<ul style="list-style-type: none"> • Implements the policy and budgetary framework set by the council, and provides advice to policy committees and the council on the development of future policy and budgetary issues. • Oversees the delivery of the council's Strategic Plan and implementation of policy. • Operationalised by leading and attending: management team, extended management team, departmental leadership team, partnership and other corporate cross-cutting board meetings.
<p>Extended Management Team</p> 	<ul style="list-style-type: none"> • Responsible for developing, maintaining and implementing the council's governance, risk, performance and control framework. • Contribute to the effective corporate management and governance of the council. • Operationalised by attending and contributing to: management team, extended management team, departmental leadership team, partnership and other corporate cross-cutting board meetings.

Governance Assurance Channels



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Future Tandridge Programme Update

Audit & Scrutiny Committee 23rd February 2023

Report of: Chief Executive Officer

Purpose: For information

Publication status: Unrestricted

Wards affected: All

Executive summary

The overall aims of the Future Tandridge Programme ('FTP') programme are to transform the operating model for the Council, to create a smaller, more strategic, agile and responsive organisation, with resources targeted at Council priorities and which is underpinned by a more business-like approach to the way that the Council operates.

A key part of the FTP is the identification and delivery of savings identified in the Service Reviews to ensure a balanced budget is delivered for 2023/24.

A detailed update on progress was included in the Draft Budget report to the Strategy and Resources Committee of 1st December. A further update on savings and the impact to residents and the Council can be found in the Strategy and Resources committee 2023/24 Budget and Medium-Term Financial Strategy report of 31st January. This report should be read in conjunction with the budget papers.

As agreed with the Chairman of Audit and Scrutiny, the focus of this report is on governance, risk and issue management to maximise the opportunity for the FTP to be successful.

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

Contact officer: David Ford – Chief Executive dford@tandridge.gov.uk

Recommendation to Committee:

1. To note the direction of travel for the FTP, the savings identified for delivery in 2023/24 and the associated update set out in the 2023/34 Budget and Medium-Term Financial Strategy report to the S&R Committee on 31st January.
2. To note the approach to risk management being applied and the current programme level risks identified in Appendix B.

Reason for recommendation:

To continue to provide confidence in the governance structure of the FTP and to demonstrate that there is a clear risk management process with escalation in place.

1.0 Background

1.1 Financial context

At the Strategy & Resources Committee on 30th June, a savings requirement of up to £2m was identified to meet the likely shortfall between income and projected expenditure and identified the need for the Service Reviews to deliver a significant proportion of these savings.

The Draft Budget report to the Strategy & Resources Committee on 1st December set out the savings which are planned to be delivered in 2023/24. This was reconfirmed as part of the final budget which was proposed to Strategy & Resources on 31st January 2023. On 9th February 2023, these were approved by Full Council and therefore became the approved savings plan for 2023/24. The final savings plan totals £1.7m.

This report focuses on the governance and risk management arrangements for the FTP. The focus has now firmly moved to delivering the programme, ensuring the planned savings translate to successful achievement of a balanced outturn for 2023/24.

Alongside this, planning for 2024/25 and beyond must now start in earnest, factoring in the need for a new Corporate Plan to shape the priorities of the Council and inform future budgets.

1.2 Future Tandridge Programme

A key part of the programme is the consistent and rigorous review of all services which fundamentally challenges how and why the Council provides the services it does. The focus is on identifying outcomes which support the longer-term operating model for the Council, balanced against short term opportunities to deliver the budgeted savings in 2022/23 and 2023/24.

A full progress update on the programme was reported to the Strategy and Resources Committee on 1st December and updates have been made to Strategy and Resources Committee on 31st January.

The delivery phase of the programme is now underway. As part of this phase, plans have been developed by all service workstreams, with key milestones, resource requirements and associated risks. Consultation on phase 1 restructures began on 17th January 2023 and concluded on 15th February 2023.

2.0 Governance

Through the delivery phase of the programme, the governance and workstream structure for the programme operates at three levels, further details of which can be found in Appendix D.

3.0 Risk and Issue Management

Risk and issue management is undertaken at programme and workstream level. Programme level risks are recorded on a programme risk register and managed through the Programme and Benefits Delivery Board.

Risks are identified, reviewed, assessed and appropriate mitigation is determined to seek to reduce the level of risk identified.

Each risk has an assigned owner and is given both a pre and post mitigation rating. Risks are assessed through the Programme and Benefits Delivery board and updated regularly to reflect where the mitigation or scores may have changed.

Following a review of the FTP risk management process, the process has been modified to make more transparent the changes in post mitigation scoring. Individual mitigating actions relating to a risk and their relative status clearly indicate whether the status has resulted in a change in the score. Where a mitigating action has been completed, this will result in a lowering of the post mitigation risk score. Where mitigating actions have not started or are in progress, this will be indicated in the Mitigating action status column. Additionally, the risk register now tracks any changes in the risk score in order to provide an audit trail.

A view of the current FTP Programme Risk register can be found in Appendix B of this document.

Risks and Issues are also managed at workstream level where these are specific to individual workstreams or projects. Project level risks are escalated to programme level for management through the Programme and Benefits Delivery board where their significance to the overall success of the programme warrants this.

In addition to the above, all Heads of Service will capture risks relevant to delivery of their savings which are reviewed with the Programme team and escalated as required.

A full list of the service savings with associated delivery risks and RAG ratings is in place and monitored with service leads at the delivery board.

There are two areas reporting red risks currently; Regulatory Services and Building Control.

The Regulatory Services review requires further work with our partner authority, Mole Valley District Council to agree a way forward for the partnership which will focus on standardising the approach to Regulatory and Environmental services by using a shared website and introducing productivity improvements. This work will commence in earnest with the Deputy Chief Executive joining the Council from the 20th February 2023.

For Building Control, the red risk relates to the next steps required following meetings with LABC (Local Authority Building Control); an independent body representing LA building control teams. It is acknowledged that a more detailed plan is required to review the operating model and drive further value for all partners in the Southern Building Control Partnership. Tandridge District Council (acting as host authority) will be working with external subject matter experts to develop this plan for subsequent discussion with the partnership. Although this element is rated as red, it stands separately from the savings programmed for 2023/24 which are on course to be delivered, and the risk rating refers to a longer-term plan to maintain and deliver further value for money for the partnership.

A summary of the savings and the Red rated items can be found in Appendix C.

4.0 Resourcing

An initial tranche of resources needed to oversee delivery of the FTP from October to March was approved at the Strategy and Resources Committee on 29th September. This included funding for the overall programme management and dedicated funding in support of individual workstreams. Progress on the use of resources in support of delivery will be provided in future reports.

Recruitment is underway to fill the roles approved in the report however responses to the advertisements has been low. The programme team are following up with agencies and partners to explore other options.

5.0 Comments of the Chief Finance Officer

The FTP is the key mechanism for driving value for money from Council services and for delivering the £1.7m savings target for 2023/24. Effective risk management, and the oversight of Audit & Scrutiny committee, are key elements of ensuring the success of the programme. The full financial context to the FTP is set out in the 2023/24 Budget and Medium-Term Financial Strategy report to Strategy & Resources on the 31st January.

6.0 Comments of the Head of Legal Services

Whilst the FTP represents a significant financial commitment by the Council, this report has no legal implications and the overall programme remains within budget allocation. The delivery of the savings associated with FTP are key to supporting the Council in closing the financial gap in the current and future years. There are a number of proposals within the programme

that span several service areas and the FTP is being managed in conjunction with the Councils mainstream savings programme to ensure there is no overlap and that all savings are accounted for only once

The report outlines that the FTP remains on track to deliver the required outcomes and timelines to cost and budget. However, pressures remain and it will be important to continue to take a robust and consistent approach to governance, but at this time there are no unmitigated major risks.

7.0 Equality

The Council has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by the equalities legislation are considered prior to any decision being made.

Section 149 of the Equality Act 2010, provides that a public authority must, in the exercise of its functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
- advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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.

Members should have due regard to the public-sector equality duty when making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome.

The Officers have reviewed the impact of the closure of the Finance Transformation programme and the outcome of this is that the action have no negative or positive impact on protected characteristics and residents. However, the Council will continually monitor the effect of the Budget-setting process and decision-making by using equality impact assessments.

8.0 Climate change

There are no direct impacts on environmental aspects in this programme update report. Climate change implications will be assessed as part of any changes to Service provision through a business case process.

Appendices

Appendix A – Programme highlight report – December 2022

Appendix B - FTP Risk Register

Appendix C – Overall assessment of savings delivery

Appendix D – Programme Governance

Appendix E - Glossary of Terms

Background papers

S&R Committee Report 1st February 2022

S&R Committee Report 30th June 2022

S&R Committee Report 29th September 2022

S&R Committee Report 1st December 2022

S&R Committee Report 31st January 2023

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

Appendix A – Programme Highlight report – December 2022

Future Tandridge Programme Programme Highlight report – December 2022

Future Tandridge Programme				Report date: December 2022	
SRO	David Ford	Delivery lead	Mark Hak-Sanders	Previous month status:	AMBER
Lifecycle Stage	Delivery			Current month status:	AMBER

Headlines

Business cases for Assets and FM and communications submitted in December S&R committee paper. Detailed planning progressing in Operations and Digital & Customer Services Transformation workstreams, both workstreams will submit business cases to the March committee cycle. Recruitment in progress for key programme roles.

Achievements during December 2022

Service reviews – Delivery

Operations Transformation workstream project board and working groups set up and project initiation document, agreement on roles and responsibilities and detailed planning in progress; contract and commercial planning underway.

Digital/Customer services – focus on development of the business case for March committee.

Milestone plan for all services in development, with focus on risks to delivery at EMT delivery group meetings.

Communications - focus to agree approach and method of communications to staff going forward.

Member engagement

Workshop took place on 21st December with focus on Fees & Charges/Reserve list items in advance of the January committee cycle budget papers.

December Committee meetings

Strategy & Resource committee: Draft Budget, FTP savings delivery phasing and forward plan of business cases for approval by committee.

Following business cases submitted to S&R committee:

Assets and FM Delivery plan for corporate landlord model, Town Hall rental, consolidation of Facilities/housing contracts.

Communications Member engagement to develop future outcomes based Communications service.

Detailed updates of business case progress was provided by the following workstreams:

- Digital and customer services transformation
- Operations transformation

Focus for January 2023

Operations Transformation workstream – three activities running in parallel; review of existing contract, team restructure, collation of asset data. Next step is market engagement to understand potential market opportunities.

Recommendation to be taken to March community services committee.

Digital/Customer services Transformation – business case in preparation which will include plans for key line of business applications and infrastructure.

Review of all planned savings/changes to reflect the impact to residents and the council, including digital inclusion considerations.

Future model - Programme team working with commissioning group to develop requirements for a commissioning framework at TDC. This framework applies to both internal and externally delivered services.

Service plans are being developed by heads of service across the council. These plans will include delivery of the savings and efficiencies that form part of the Future Tandridge programme.

All other services progressing with forecasted FTP savings which are due through 2023/24.

January committee meetings

Strategy & Resources - Full budget to go to S&R committee on 31st January.

General FTP updates will be provided at this meeting.

Community Services, Planning Policy and Housing committees – draft budget and FTP updates provided

Resources

Three key programme roles are out for recruitment: Commercial business analyst and two project delivery roles – Service Improvement project manager and Digital Transformation lead. These roles have been advertised and interviews progressing during January.

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Appendix B – FTP Risk Register

Below is the current Risk register in use in the Future Tandridge programme including the latest mitigation action updates. This register is reviewed and updated by the programme team and mitigating actions followed up on a regular basis.

Future Tandridge Programme (FTP)			Original score		Mitigated scores						
Risk	Topic	There is a risk that.....	Risk score	Mitigation Approach	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Ownership group
FTP_R012	Business case	Digital and Customer Services workstream will not deliver a business case within an acceptable return on investment	16	Looking at options to delivering a solution in the most cost effective way Review what an acceptable return on investment looks like.	12	Priority journeys have been targeted to understand existing volume and type of processes. Focussing on these journeys to create the forward roi plan as part of the Digital & Customer Services business case (Housing repairs, Planning, Waste)	✓	Review of data and business case by TOMDG planned 1st February. Business analyst collating data on customer journeys to enable a view on ROI when moving to Digital. Review required to understand whether the data being collated and other parts of the business case will cover aspects required to enable committee understanding and approval	Score reduced from 16 to 12 due to targeted data collation for business case to ensure high volume/high impact areas are included in the business case	Mel Thompson	TOMDG group
				Adopting a phased approach to delivery which maximises the return on investment at each phase		Review telephony stats. Review of Revs and Bens chatbot trial against Telephony to understand impact. Monitor incoming emails into service area mailboxes to analyse volume and type of transactions. Analyse customer services front counter stats.	in prog				
				Take expert advice on the most cost effective way to deliver the right solution to residents		Peer review of draft business case by recognised external digital transformation expert.					
				Ensure that the timings of the return on investment are clear		Timetable required to understand implementation path.	in prog				
FTP_R001	Organisational Development	The Council will lose key staff that it would prefer to retain resulting in a further deficit of capability and capacity to deliver the Councils priorities.	12	Consider ways of retaining key staff and formulate a plan to prevent/reduce the loss of these key members of staff during the transition, this relates to the Organisational Development/change management stream of work in the FTP	12	Key staff to be identified and approach to be developed HR/EMT. EMT developing a plan to address potential loss of these key staff during the transition. This area is still in need of further work.	in prog	Key staff have been identified and approach being shaped by HR/EMT as part of the key officer forum. EMT developing a plan to address potential loss of these key staff during the transition. This area is still in need of further work. Awaiting recruitment of HR lead before the People Plan can be developed.		David Ford	TOMDG group
						HR lead to create a People Plan which will include an approach to retaining and recruiting the right people both during the transition period and in the new structure.					

Appendix B – FTP Risk Register

Future Tandrige Programme (FTP)			Original score		Mitigated scores						
Risk I	Topic	There is a risk that.....	Risk sco	Mitigation Approach	Risk sco	Mitigating actions	Mitigating action sta	Risk progress update	Score audit trail	Owner	Owning group
FTP_R017	Resources	Recruitment of the role required for the Service Improvements workstream will be slow/unsuccessful which will have a detrimental effect on delivering the savings for 23/24 savings and benefits in the business cases	12	PMO / Project manager to work with individual service leads to develop their service improvement delivery plans that focus on delivery of savings.	8	Planning sessions required to work with heads of service to support with development of their plans.	in prog	The response to the roles advertised before Christmas has been very low, therefore an agency has been engaged and discussions are also in progress with partners to understand whether there are other potential candidates. Those areas that require focus, such as restructure savings across all services, have a dedicated project manager allocated from the programme to ensure the work progresses as planned. Additional planning sessions have been set up to work with heads of service to support with development of their plan however PMO/Project mgr have limited capacity.	Nov22 - Score reduced from 12 to 8 due to focus on amber/red milestones, by EMT and the programme team. A number of savings are now delivered and complete and Amber items will be focussed on by the project manager to move forward with the head of service and achieve the saving.	Mark Hak-Sanders	Programme Benefits delivery Board
				EMT/Service improvement leads to attend fortnightly Delivery board meetings where plans are reviewed and any risks that are raised are mitigated against as far as possible.		Where milestones are amber/red, focus on mitigation and steps to resolve and get delivery back on track.	✓				
				Recruitment with SCC assistance to reach a wider audience - FTP to facilitate this approach.							
FTP_R018	Resources	Inability to recruit the Procurement/commissioning role will delay progress in delivering the new commissioning approach	12	Explore alternative options including accessing external support and advice elsewhere in the interim	12	Potentially diverting resources in the short term and accessing external expertise from existing SME network		The response to the roles advertised before Christmas was low, an agency is engaged to understand whether there are potential candidates available. Conversations are underway with a Commissioning best practice group to help shape the approach and framework and will continue with EMT. Review of immediate requirements required to understand whether an interim resource can be focussed on this activity in the short term.		Mark Hak-Sanders	Programme Benefits delivery Board
				Targeted recruitment to maximise the potential of recruiting the right person for the role		Ensure the advert is attractive to candidates and is advertised in the most appropriate channels.	✓				

Appendix B – FTP Risk Register

Future Tandridge Programme (FTP)			Original score		Mitigated scores						
Risk	Topic	There is a risk that.....	Risk score	Mitigation Approach	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Owning group
FTP_R010	Scope Management	Changes such as movement of functions across the council, will be made without consultation with the TOM group which will impact on the planned changes. This would potentially weaken areas of service delivery internally or in the event of outsource opportunities.	16	Agree and publish scope - reinforce change review group and change log. Change requests to be raised for all additional pieces of work and changes that impact on agreed scope at committee.	8	Any proposed changes such as Team restructures are raised as Change requests by Heads of Service and reviewed by the TOMDG.	✓	No recent proposed changes have been shared, however Team restructures are being addressed as part of the staff restructures which is in progress now and are being looked as a whole to ensure alignment to the programme scope and benefits, such as forecasted savings.	Score reduced from 16 to 8. All changes in scope are reviewed by TOMDG before approval and being actioned.	David Ford	EMT
				All change requests to be reviewed by the TOMDG to ensure the big picture is being considered when implementing any changes.		Review of functions/services across the council by TOMDG to agree where these best fit, such as FOI, Advice on employment law, dog warden activities.	in prog				
Page 115 FTP_R002	Governance	Members are not sufficiently engaged and/or will not support key issues which emerge from the FTP.	12	Engage Committee Chairs in service review emerging proposals.	8	Early engagement with Leader & S&R Chair / Vice Chair to hear feedback and answer questions in preparation for committee meetings.	✓	MRG meetings where updates are provided are held fortnightly and members have early sight of committee paperwork and business cases and provide input to the forward direction of business cases and the target operating model. Workshop schedule discussed and agreed at MRG to provide early sight of proposals and business cases.	Score reduced from 12 to 8. Regular MRG meetings taking place and member workshops scheduled to review specific udpaes and usiness cases in advance of cmmitee meetings where feedback is received from members and questions can be answered.	David Ford	EMT
				Member engagement to be considered in each workstream activity in the FTP.		Prog Team to engage Committee Chairs in service review emerging proposals and consider Member engagement in each workstream activity in the FTP.	✓				
				Based on the approach used in Tandridge Finance Transformation to member engagement, Identify representative group of members to be used for early engagement throughout the duration of the programme.		A Member reference Group has now been created consisting of a small group of members (agreed with the leader of the council). Since set up in October, this group has attended focused briefings on specific areas of interest such as Digital/Customer services and Assets and FM and fortnightly meetings are set to continue. All member briefings will continue to be held on specific areas of interest and in advance of committee updates where required.	✓				

Appendix B – FTP Risk Register

Future Tandrige Programme (FTP)			Original score	Mitigated scores							
Risk	Topic	There is a risk that.....	Risk score	Mitigation Approach	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Ownership group
FTP_R003	Communications	Staff are not engaged in or have the wrong information about the programme	9	Create Communications plan that aligns with needs of internal/external stakeholders. Work with Communications team at TDC to ensure messages are shared with employees and councillors. Inform and encourage managers to cascade to their teams.	6	Create Communications plan with channels of communications set up in all recommended areas to ensure stakeholders are informed in timely manner. Encourage heads of service to update their teams on all programme updates.	in prog	Discussions are in progress between FTP and Communications team to agree a way forward on delivering the right communications at the right time to the right audience based on the programme roadmap and areas of interest for staff and councillors. No capacity in Communications team. Needs escalation.	Score reduced from 9 to 6 due to staff briefings being provided included an FTP update. Further work required to provide detailed communications and newsletters on the hub.	David Ford	EMT
				Heads of service to ensure that their teams are engaged in the programme process and that information is cascaded to teams.		Ensure that FTP service review & savings delivery plans include staff engagement where relevant.					
				Keeping staff engaged with progress on the programme		FTP updates provided at staff briefings by Chief Executive	✓				
Page 116 FTP_R014	Savings	Service Reviews will not deliver the budget savings identified in 23/24	16	Create delivery plan for each service area, whether part of the service improvement workstream, or Digital/Customers, Operations transformation and ensure that all milestones that relate to savings are clearly identified.	12	Delivery managers to be recruited into the three delivery workstreams, Service Improvements, Digital/Customer Services, Operational Services. Each will create and manage a plan to deliver the savings.	in prog	All identified savings have delivery dates agreed with heads of service. The EMT delivery group are meeting fortnightly to work together to ensure savings are delivered as planned. However multiple Savings are RAG rated amber and require underlying detailed planning and ownership to move forward. Red and Amber items are called out in the EMT delivery meeting and resolutions agreed. Where it is not possible to resolve, replanning is carried out and the impact of this measured and addressed in the fortnightly programme benefits delivery board.	Jan23 - Score reduced from 16 to 12 due to high level plans put in place. Regular 121 meetings with Heads of Service and fortnightly EMT service delivery meetings are regularly taking place. All savings are RAG rated based on external assurance from FTP PMO/Prog lead and in conjunction with Heads of Service.	Mark Hak-Sanders	Programme Benefits delivery Board
				Monitor plans/milestones closely in weekly meetings and monthly highlight reports, where a risk is arising, this is escalated to the project/programme board to assess actions to mitigate.		weekly 1-2-1 meetings with heads of service and/or delivery lead to ensure that the plan is in place and credible and is being followed and that any milestones at risk are addressed promptly to prevent slippage.	✓				
				Set up programme delivery and benefits board review savings milestones and where amber/red agree mitigation and next steps and assign ownership.		Each service to create a plan, with key milestones, which is collated for the programme plan. Fortnightly EMT delivery meetings held where exceptions and risks are discussed with the objective of resolving blockers to achieve the savings.	✓				

Appendix B – FTP Risk Register

Future Tandrige Programme (FTP)			Original score	Mitigated scores							
Risk	Topic	There is a risk that.....	Risk score	Mitigation Approach	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Ownership group
FTP_R015	Resources	Digital/customer services workstream will be slow/unsuccessful which will have a detrimental effect on developing the business case and planning and delivery of 23/24 savings and benefits in the business cases	15	Understand the scope of the changes required to make the changes for Review where savings/efficiencies can be made and focus on these areas as a priority, including have the right data available to provide costs/ROI in the business case	8	bring in a Digital lead who will manage the delivery of the changes agreed in the business case. Analysis of existing calls on the Customer Services team to understand which areas of business have the highest number of calls and carry out a review of those journeys with the objective of improving service/understanding and removing pain points to introduce short term efficiencies.	✓	been engaged and TDC are talking to partners to understand whether there are potential candidates available. An interim digital SME is providing support to the Digital team to help with the business case which is due to be presented to the March committee cycle.	digital SME to work with the IT team on development of the business case. Key areas of the business are being focused on when analysing data to ensure these high impact areas are used to shape the ROI	Mark Hak-Sanders	Programme Benefits delivery Board
FTP_R016	Resources	Timelines will be missed if BAU issues require resolution and there is an assumption that programme resources will be used to fix the issues	15	Each service to set out their savings delivery plan, including key milestones and dependencies, which will form the collated programme plan.	8	Service review updates and milestones have been populated by Heads of Service/Stream leads. Planning meetings are being held with heads of service to ensure information is captured consistently to enable dependencies/slippages to be trackable.	in prog	Timelines are being tightly managed and if there were to be a capacity issue, in one of the services, with the risk of delay to the savings, this would be flagged very quickly by the head of service to ensure that other options are explored.	Score reduced from 15 to 8. Plans have been developed to ensure savings delivery as forecast. External SMEs are being brought into the areas that need focus/additional expertise to progress, such as Operations, Assets and FM and Digital and Customer Services.	Mark Hak-Sanders	Programme Benefits delivery Board
				Individual plans to be baselined within the programme and used as drivers for savings delivery by the EMT / stream leads and Finance/Benefits Programme board. All risks to delivery identified by the plan owners are escalated to the Programme delivery board.		Individual plans are to be collated at programme level. Regular EMT delivery board meetings held where all savings at risk are raised and collectively resolved.	✓				
				All plans will include resource requirements to ensure that where BAU/external resources are required, the demand is clear. Where resources are redirected at BAU, plans will need to be adjusted to show the revised schedule. If BAU resources are not sufficiently available, backfilling of roles will need to be considered to free up time.		Key external resources are identified and secured as early as possible, for example expert advice from PeopleToo on Operations workstream.	✓				

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Appendix C – Overall assessment of savings delivery

Overall assessment of savings delivery

RAG status	RAG rating determination	Staff savings 23/24 £000	Non Staff savings 23/24 £000	Total £000
	Clear plans, realistic timescales	£615	£441	£1,056
	Some risks to delivery or detailed delivery plan still in development	£142*	£430	£572
	Significant risks to delivery, delivery plan yet to be agreed	0	£26*	£26
	Totals	£757	£897	£1,654

*Red rated areas are in Regulatory Services (£26k)

*Amber rated staff savings in Assets & FM (£42k), Operations (£75k), Revs and Bens (£25k shared service)

Appendix C – Overall assessment of savings delivery

Details below of Service Review savings summarised in the table above, with RED rating

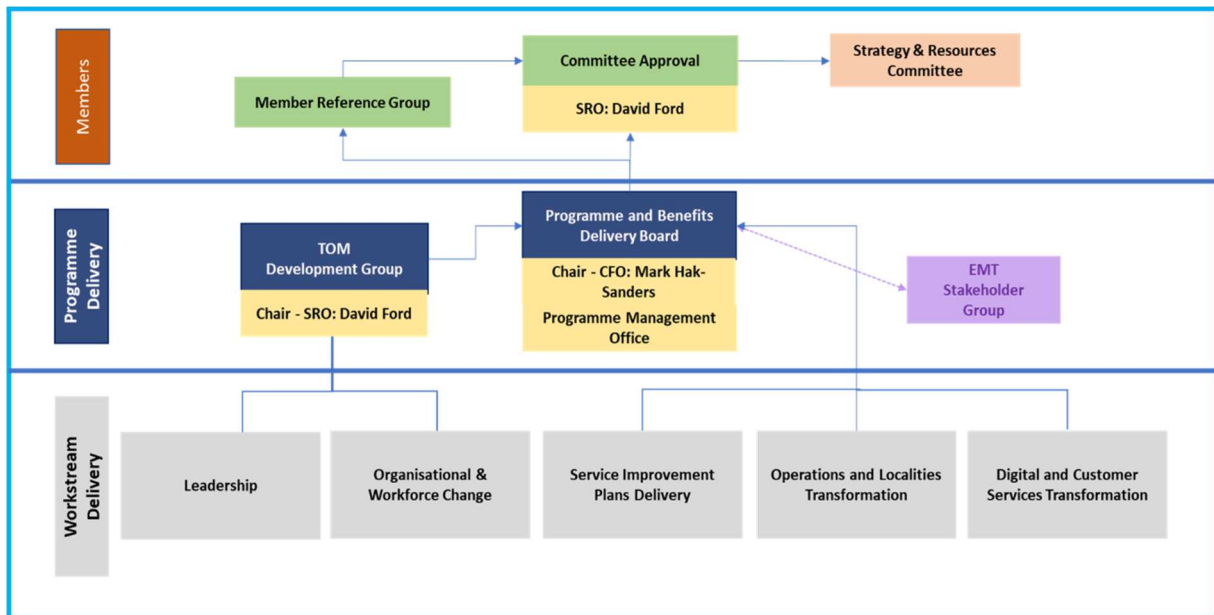
FTP - SAVINGS SHEET AND TIMINGS - S&R DECEMBER 2022 updated 18/1/2022												
Committee	Service Area	Summary of saving	Savings Realisation quarter 2023/24				Delivery RAG	Delivery risk	22/23 saving	Total Target saving (23/24)	2023/24 realisable saving ('000)	2024/25 realisable saving ('00)
Planning policy	Building control	External review into operating model and opportunities to drive value for all partners from SBCP			X		Red	Plan required following LABC mtg. Engage P2 to move this forward.		£0	£0	
Community Svcs	Regulatory services	Standardisation of approach will save updating two websites and will bring better clarity and reporting of overall budget. Digital Improvements				X	Red	Subject to discussions with Mole Valley		£15,000	£10,000	£5,000
Community Svcs	Regulatory services	Productivity Improvements	X				Red	Subject to discussions with Mole Valley		£16,000	£16,000	

Appendix C – Overall assessment of savings delivery

Details below of Service Review savings summarised in the table above, with RED rating

FTP - SAVINGS SHEET AND TIMINGS - S&R DECEMBER 2022 updated 18/1/2022												
Committee	Service Area	Summary of saving	Savings Realisation quarter 2023/24				Delivery RAG	Delivery risk	22/23 saving	Total Target saving (23/4)	2023/24 realisable saving ('000)	2024/25 realisable saving ('00)
					X							
Planning policy	Building control	External review into operating model and opportunities to drive value for all partners from SBCP			X		Red	Plan required following LABC mtg. Engage P2 to move this forward.		£0	£0	
Community Svcs	Regulatory services	Standardisation of approach will save updating two websites and will bring better clarity and reporting of overall budget. Digital Improvements				X	Red	Subject to discussions with Mole Valley		£15,000	£10,000	£5,000
Community Svcs	Regulatory services	Productivity Improvements	X				Red	Subject to discussions with Mole Valley		£16,000	£16,000	

Appendix D – Governance



1 Member level

Formal oversight of the FTP and decision making will continue to be through the Strategy & Resources Committee, with individual committees making decisions for the services within their remit.

Alongside the formal Committee process, oversight of progress will be through the Member Reference Group. This includes the Leader and Deputy Leader of the Council, the Chair of Strategy and Resources Committee and representatives from each of the political groupings.

Wider Member engagement will continue to be undertaken on specific topics with regular progress updates provided to all Members.

2 Programme Level

At programme level, delivery of the FTP and the associated savings and benefits will be through the Programme Delivery Board, chaired by the CFO and supported by the PMO. This Board has overall accountability for delivery of the programme.

A key principle of the FTP is to ensure that the management team and Heads of Service (HOS) lead and own the delivery of changes in their service and the associated savings. HOS are directly responsible individually for:

- development of the business case for their service
- Identification of savings and other linked benefits
- development of the delivery plan for their service
- Identification of key risks and issues and their mitigation

Appendix E – Glossary of Terms

Term	Definition
KLOE	Key line of enquiry – areas to be explored as part of the Service Reviews
Saving	<p>Known budgeted expenditure reductions and income increases which result due to the following:</p> <ul style="list-style-type: none"> • Containing additional costs of Inflationary increases in contracts or pay; • Driving forward efficiencies in the provision of existing services i.e. providing services in an improved way to deliver better value for money; • The delivery of new or additional services; and/or • Optimising sources of income.
TOM Development Group	Target Operating Model Development group – a governance group within the Future Tandridge Programme. This group sets the direction for the service reviews and agrees the principles that will drive the organisational change.

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Complaints and Freedom of Information Requests update

Audit & Scrutiny Committee - Thursday 23 February 2023

Report of: Giuseppina Valenza

Purpose: For information

Publication status: Open

Wards affected: All

Executive summary:

This report provides an update about the Council's approach to managing complaints. Complaints are reported quarterly to the Audit and Scrutiny Committee and details about what has changed as a result of a complaint are published on the website.

In addition, this report includes details about the type of Freedom of Information requests received.

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

Contact officer: Giuseppina Valenza Head of Policy and Communications
gvalenza@tandridge.gov.uk

Recommendation to Committee:

The committee is asked to accept and note the report.

Reason for recommendation:

The Complaints Policy stipulates complaints should be reported quarterly to the Audit and Scrutiny Committee. A robust complaints policy ensures customer service standards are sustained and improved. It also helps maintain the Council's reputation. An approach of continuous improvement gained by learning from complaints, supports the priority of Building a better Council. The details about the Freedom of Information requests are provided to show the volume of requests and services impacted in being required to respond to these.

Introduction

1. The Council aims to provide an excellent experience every time a customer uses its services, but occasionally things do go wrong. When that happens, the Council would like the opportunity to put things right.
2. If a service falls below the expected standard, officers work with customers to resolve any issues as quickly as possible. Where this still does not resolve the issue, customers may want to make a formal complaint.
3. Complaints, comments and compliments from customers help the Council identify what has worked well and what could be better.
4. Comments and complaints are used to see where processes should be reviewed and improvements made. In addition, compliments are passed on to staff and shared internally.
5. The complaints policy has two stages. Stage 1: Resolution. If customers are not satisfied with the service they receive, they can make a Stage 1 complaint. Where the customer is not happy with the response to their Stage 1 complaint, they can escalate it to Stage 2: Review. The customer must clearly explain why they are dissatisfied with the Stage 1 investigation and what they think the Council needs to do to put matters right.

Timescales

6. At both stages complaints:
 - Are automatically acknowledged within 2 working days.
 - Are fully investigated and responded to within 10 working days. Where this is not possible the customer is contacted to let them know when they can expect a reply.
7. If customers are still not happy with the response they receive at Stage 2, they are referred to the Local Government and Social Care Ombudsman (LGSCO). The LGSCO investigates complaints about councils with the aim of putting things right if they have gone wrong.

Lessons learned

8. We capture what lessons have been learned from complaints, with the aim of improving customer service.
9. As part of the Stage 1 investigations, team leaders review the process or practice used, to highlight where improvements could be made. Any changes are recorded in the system with a record of the action taken as a result, for example staff training, changes to a system or process etc.

10. At Stage 2 a member of the Extended Management Team reviews the response to Stage 1, to see if it could have been prevented from escalating to Stage 2.
11. In the last quarter there were a few complaints about the way in which an enquiry was handled by the officer and that officer's response. These have been reviewed and discussed by the team leaders and service leads to see where improvements can be made, or training is required.
12. A customer satisfaction survey for complaints is sent to complainants once their case has been closed. This asks if complainants found the process easy to use and are satisfied with the response to their complaint.
13. In the last quarter there were 12 responses. Over half the respondents found the complaints process easy to use, while a quarter found it difficult. Three quarters were not satisfied with the response provided. This was partly due to not meeting the agreed response deadlines, the length of time it took for a response to be sent to them and the lack of detail given in the response.

Number of complaints

14. In the last quarter (1 October to 31 December 2022) there were 30 new complaints, with 7 Stage 2 complaints. Table A provides more details.
 - There were 14 complaints for planning, with 1 at stage 2. The high level of planning complaints is related to a failed upgrade to the planning system which made it impossible to update, view or comment on applications. This led to a backlog of applications, as well as a delay in processing applications resulting in multiple complaints. The main issues have been resolved and the planning team has been working hard to reduce the backlog.
 - There were 6 complaints about council tax, related to court action taken and issues with the bills.
 - There were 5 complaints for community surveyors, with 2 at stage 2, all related to issues with repairs.

Table A: Complaints 1 October to 31 December 2022

Service	Summary of complaint	Stage 1	Stage 2
Benefits	Council tax debt wrongly created due to benefit change.	✓	
Building Control (stage 1 in previous quarter)	Disagreement over building control regulations.		✓
Community Surveyors	Delays in fixing hot water.	✓	
Community Surveyors	Broken central heating in council house.	✓	
Community Surveyors	Communal laundry units removed.	✓	

Community Surveyors	Running costs of generator in loft.	✓	✓
Community Surveyors	Cesspit breaking / flooding despite after fixing.	✓	✓
Council Housing	Complaint regarding council officer.	✓	
Council Housing	Resident wants larger housing for herself and her family.	✓	✓
Council Housing	Delay in approval of housing application.	✓	✓
Council tax (stage 1 in previous quarter)	Resident being charged more than council tax band.		✓
Council tax	Received letters from court regarding over charge on council tax.	✓	
Council tax	Increased council tax and lack of communication from council.	✓	
Council tax	Court action letters received.	✓	
Council tax	Error in processing council tax.	✓	
Council tax	Increase in council tax payments.	✓	
Planning	Disagreement on planning application.	✓	
Planning	Delay in approving planning application.	✓	
Planning	Delay in planning application approval.	✓	
Planning	Delay in approving planning applications.	✓	
Planning	Lack of response in relation to a particular planning application.	✓	
Planning	Lack of response in relation to a particular planning application.	✓	
Planning	Lack of response in relation to a particular planning application.	✓	
Planning	Lack of response in relation to a particular planning application.	✓	
Planning	Lack of response in relation to a particular planning application.	✓	
Planning	Delays in approving planning application.	✓	
Planning	Delay in approving planning application.	✓	
Planning	Delay in approving planning application.	✓	
Planning	Disagreement on approval on planning application.	✓	✓
Repairs	Delays in repairing shower unit.	✓	
Waste and Recycling	Failure to clear dangerous flytipping next to property.	✓	
Total		30	7

15. The Tandridge District has around 88,500 people, living in 37,500 households. There are around 3,000 business rate payers. Table B shows complaints as a % of the household and population figures.

Table B: Complaints per household and population

No of complaints	% of household	% of population
30	0.08	0.03

Complaints to the Local Government and Social Care Ombudsman (LGSCO)

16. In the last quarter three complaints were considered by the LGSCO. One for planning was not upheld, one for legal is under investigation and one for revenues and benefits was not accepted by the Ombudsman, as the Council has not had the opportunity to investigate in line with the complaints process.

Compensation

17. The Council offers compensation as a goodwill gesture and this is set at a maximum of £50. This is only considered in exceptional circumstances, where the complaint investigation identifies a fundamental service failure in the way the situation has been handled and where the issue caused a customer unnecessary upset and distress.
18. In this quarter we have made one compensation payment. This was in relation to a council tax bill. The resident was unable to resolve errors on their council tax bill by phone and was not called back as promised. An incorrect bill and court summons were issued and although retracted, this caused undue distress to the resident. The complaint was received at time when there was a backlog of work due to the Northgate system implementation. This backlog has reduced and regular discussions about avoiding complaints like this, take place between the Chief Finance Officer and the team.
19. In certain instances, the Council offers discretionary financial compensation to council tenants or leaseholders in the event of a failure of the Housing Landlord Service. Although a discretionary scheme, it is an expectation of the Social Housing Regulator and the Social Housing Ombudsman that there is one.
20. There are also some landlord related compensation payments required by law. These relate to homelessness and disturbance payments when tenants are required to move out of their home. Any compensation is funded by the Housing Revenue account.
21. In the last quarter we have made no housing related compensation payments.

Compliments

22. Compliments about staff and the way they have responded to customers are shared internally on the intranet.

Freedom of Information (FOI), Data Protection Act, Subject Access Request, Environmental Information Regulation process

23. There are two separate pieces of legislation under which the public can request information from the Council. These are the Freedom of Information Act (FOIA) 2000 and the Environmental Information Regulations (EIR) 2004. The FOIA provides a general right of access and the EIR provide additional rights of access to environmental information.

24. Both pieces of legislation provide the public with a general right of access to all recorded information held by public authorities. This includes drafts, e-mails, letter, notes, recordings of telephone conversations and CCTV recordings.

25. Anyone can make a freedom of information or an environmental information request – they do not have to be UK citizens, or resident in the UK.

26. All Freedom of Information (FOI), Data Protection Act (DPA), Subject Access Request (SAR) or Environmental Information Regulation (EIR) requests are registered on the corporate system.

27. The Council has 20 working days to reply to an FOI or EIR request and a month for DPAs and SAR. It can often take longer than this if the request is particularly complex or involves multiple documents. All personal data must be redacted from documents before being released and this can take a long time. If the Council is late in responding a holding response is sent to the enquirer to make them aware the response is taking longer to prepare.

28. In the last quarter (1 October-31 December 2022) we received 158 FOIs. Table B shows the breakdown of requests by service area.

Table B: FOIs 1 October 31 December 2022

Service area	Number of FOIs
Asset Management	4
Benefits	2
Building Control	1
Business rates	15
Commercial Asset Management	2
Communications	4
Community Safety	4
Community Surveyors	4
Council Housing	19

Council Tax	6
Customer Services	1
Democratic Services	1
Environmental Health	10
Facilities	2
Finance	6
Homelessness	4
Housing	6
HR	4
ICT	12
Legal	7
Parking	1
Parking External	2
Parks	2
Planning	15
Planning enforcement	1
Planning Policy	2
Procurement	5
Public health & funerals	10
Street Cleaning	1
Ukraine	2
Waste and recycling	3
Total	158

29. The Information Commissioners Office (ICO) is the independent body which oversees FOI and EIR. If the public remains unhappy after the internal review procedure, they can complain to the ICO. If the ICO considers the complaint to have merit they will carry out an investigation. The FOI Officer is responsible for providing the ICO with any information they need for their investigation.
30. The ICO requires a formal written explanation of the Council's position, as well as a copy of any withheld information. The ICO will issue a Decision Notice which can either uphold the Council's position or require any withheld information be disclosed. The Council has not received any decision notices from the ICO in this quarter.
31. To make it easier to respond to FOIs, officers are increasing the number of standard data sets on the website. This will mean there can be standard responses to the most common enquiries which direct the requestor to the website.

Key implications

Comments of the Chief Finance Officer

There are no direct financial implications arising from this report.

Dealing with complaints puts an additional resource burden on the Council in terms of staff time and correctly dealing with complaints in the early stages reduces this. Learning from our mistakes and improving processes reduces the chances of reoccurrence and frees up officer time to focus on delivering services. Where compensation payments are necessary these will need to be met by services from existing budgetary provision.

Comments of the Head of Legal Services

This report provides a review of the number of complaints received, as well as information about FOI and EIR requests.

The regulatory body, the Information Commissioner's Office (ICO) considers the key performance indicator is the compliance with the statutory 20 Working days deadline for both FOI and EIR requests. The ICO would intervene to monitor a council where it was aware its compliance rate had fallen below 90%.

If any complaint raises issues which may have legal implications or consequences, the Legal team should be consulted.

There is no statutory duty to report regularly to any of the committees about the Council's performance, but it is good practice to provide this information. Under Section 3 of the Local Government Act 1999 (as amended) a best value authority 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 reports about the Council's performance in responding to complaints and FOI and EIR requests help to demonstrate best value and compliance with the statutory duty.

Equality

To ensure anyone can make a complaint, complaints can be submitted in a number of ways. They can:

- Complete a form.
- E-mail the Council.
- Write to the Council.
- Visit the Council Offices and a complaint can be recorded by an officer.
- Call 01883 722000 and a Customer Services Advisor can complete a form for a customer over the phone.

Complaints on social media cannot be accepted, as it is too difficult to capture information and not practical if it is sensitive or confidential. When a complaint is received via social media, the complainant is asked to contact the Council in one of the above ways.

While all complaints are dealt with confidentially, anonymous complaints cannot be responded to.

Climate change

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

Appendices

None

Background papers

None

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

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