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To: MEMBER OF THE AUDIT & SCRUTINY COMMITTEE  
Councillors Booth (Chair), Allen (Vice-Chair), Chotai,  
Cooper, Sue Farr, Anna Jones, North, Patel, Sharp,  
Colin White and Nicholas White

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Substitute Councillors: Black, Bilton, Hammond and  
Pursehouse

C.C. All Other Members of the Council

19 June 2023

Dear Sir/Madam

## **AUDIT & SCRUTINY COMMITTEE TUESDAY, 27TH JUNE, 2023 AT 7.30 PM**

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

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

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

Yours faithfully,

David Ford  
**Chief Executive**

### **AGENDA**

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

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

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

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

- 3. Minutes**

- 3.1 Minutes of the meeting held on 4th April 2023 (Pages 3 - 10)
- 3.2 Minutes of the meeting held on 26th May 2023 (Pages 11 - 12)

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 - 2020/21 Accounts** (Pages 13 - 38)
7. **2021/22 Final External Audit Plan** (Pages 39 - 54)
8. **Internal Audit 2022/23 Progress Report – May 2023** (Pages 55 - 68)
9. **Internal Audit Annual Report and Opinion 2022/23** (Pages 69 - 72)
10. **Future Tandridge Programme Update – June 2023** (Pages 73 - 112)
11. **Complaints and Freedom of Information update** (Pages 113 - 122)
12. **Appointment of an Independent Person to the Audit & Scrutiny Committee** (Pages 123 - 130)
13. **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 4 April 2023 at 7:30pm.

**PRESENT:** Councillors Allen (Chair), Booth, Cooper, Flower, North, N.White and S.Farr (Substitute - in place of Gillman)

**PRESENT (Virtually):** Councillors Chotai and C.White

**ALSO PRESENT:** Councillors C.Farr

**APOLOGIES FOR ABSENCE:** Councillors Gillman and Botten

#### **285. MINUTES OF THE MEETING HELD ON 23RD FEBRUARY 2023**

The minutes were confirmed and signed as a correct record.

The Chair updated the Committee on the following previous minuted actions:

**Minute 293 (from municipal year 2021/22)** related to Deloitte's scale of charges. The Chair confirmed that the charges had to be approved and it was expected that this would be reported at a future meeting of the Committee.

**Minute 296 (from municipal year 2021/22)** related to the inclusion of project management in the internal audit. The Chair confirmed that the internal audit report had to be finalised before it could be discussed by the Committee.

**Minute 246** related to the effective disbursement of the Disabled Facilities Grant. The Chair confirmed that an email concerning this had been sent to all Members on 27 March 2023.

**Minute 247** related to the Annual Governance Statement and the suggestion that the Council was failing to meet two of the corporate objectives.

With regard to the objective of "creating the homes we need", the Head of Housing had advised that an update on the Council's housebuilding programme will be included in the Housing Committee agenda in June 2023.

With regard to the objective of "becoming a greener, more sustainable district", the Chair of the Strategy & Resources Committee has asked for a short report to be prepared for the next committee meeting setting out a summary of work to date and what can be achieved in future years in the current budget.

#### **286. TO DEAL WITH ANY QUESTION SUBMITTED UNDER STANDING ORDER 30**

The Chief Finance Officer responded to questions from Councillor Cooper, as attached at Appendix A.

## 287. EXTERNAL AUDIT UPDATE - 20/21 ACCOUNTS FINAL REPORT

The report was introduced by Barry Stratfull, the Council's Chief Accountant through the Joint Working Agreement with Surrey County Council. During the introduction, it was noted that:

- the report set out the conclusions reached during the 2020/21 audit.
- the report did not identify any material adjustments or disclosure deficiencies.
- Deloitte expect to issue an unqualified opinion for 2020/21.
- some unadjusted misstatements were contained in the report. An explanation had been provided as to why these would not be amended by the Council. It was confirmed that this would not alter Deloitte's unqualified opinion or the signing of the accounts and Deloitte were content for the adjustments not to be made.

Deloitte also provided a verbal update on the ISA260 setting out the progress made in finalising the 2020/21 audit. It was confirmed that the opinion wording still needed to be finalised and it was expected to be completed within three weeks. This had been delayed due to Deloitte staff annual leave. The Committee received an assurance that the audit opinion would not be altered if the unadjusted misstatements were not amended by the Council. Deloitte also confirmed that only the Value For Money opinion remained outstanding; all other remaining tasks had been completed.

Following the assurance from Deloitte that the unadjusted misstatements would not affect the audit opinion or the ability to sign the accounts, Councillor Sayer was of the view that it would be sensible to not carry out the adjustments to save Officer time.

In respect of its financial position, Councillor Sayer stated that the Council had faced the possibility of a Section 114 Notice in the past due to the low levels of reserves and a £920k annual hole in the Council's finances that had come to light when the Council administration changed. Working in partnership with Surrey County Council's finance team, the current administration had worked hard to improve the inherited position by improving the Council's financial governance and Finance Regulations. The administration was more confident moving forward and thanked the current finance team for their professionalism in dealing with the Council's financial position.

There was a disagreement between Members as to the accuracy of past statements made in respect of the Council's past budget outturn figures and the level of reserves in previous financial years but the discussion was moved on to the approval of the accounts by the Chair.

In response to a question from the Chair, the Head of Legal confirmed that she was content to make minor amendments to the current draft of the 2020/21 Annual Governance Statement which would accompany the accounts when signed.

The Chair proposed an amendment to the final recommendation to read "delegate authority to the Chair of this meeting to sign the accounts". Councillor N White seconded the proposed amendment.

**RESOLVED** – that the Committee:

- A. receive the final ISA260 report for the 202/21 accounts.

- B. consider the recommended adjustments to the accounts and management's reasons for not accepting the adjustments, and approve that the accounts should remain unchanged.
- C. delegate authority to the Chair of this meeting to sign the accounts.

## 288. INTERNAL AUDIT UPDATE - MARCH 2023

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

- an analysis of live audit reviews;
- an overview of the rolling work programme; and
- a summary of adjustments to the Internal Audit Plan.

Members were also advised that the draft final report for savings realisation had been finalised and the conclusion would be included in the next update report.

The following updates were given by Officers on outstanding management actions:

- Emergency planning will report to the Community Services Committee from May 2023 when the Terms of Reference are amended.
- Work was ongoing to update business continuity plans and to identify appropriate plan owners for each area following the Future Tandridge Programme restructure. Any identified gaps in the plan will be reviewed and completed. Once all plans had been updated a programme of testing at least every two years will be implemented.
- A business continuity exercise had been held recently with the Extended Management Team. A similar exercise would be held with the Key Officer Forum in due course.
- It was confirmed that the Records Management, Retention and Disposal Policy and Schedule had been approved and is in the process of being uploaded onto the Council's intranet site and website along with explanatory notes.

The Chair noted that the IT Disaster Recovery and IT Business Continuity was still outstanding and needed to be completed by the revised deadline of 30 May 2023. The Chief Finance Officer assured the Committee that the completion of the outstanding audit action was a priority for the Council. It was noted that there had been both internal and external delays that had resulted in the audit action remaining incomplete.

**RESOLVED** – that the committee notes the Internal Audit 2022/23 Progress Report – February 2023.

## 289. INTERNAL AUDIT PLAN 2023/24

Natalie Jerams of SIAP presented the Internal Audit Plan for 2023/24 which provided an overview of the intended use of internal audit resource. The Plan had been created from discussions with senior Officers and from reviewing the current risk register and other key documentation. The plan had been presented and approved by the Council's Extended Management Team. Consequently, the Committee was asked to review and approve the plan.

It was noted that the plan remains fluid during the course of the year to allow SIAP to respond and react to any emerging risks or requests made by the Council. Any adjustments would be reported to Committee through the regular progress reports.

**RESOLVED** – that the Committee approves the Internal Audit Plan 2023/24.

## **290. INTERNAL AUDIT CHARTER 2023/24**

Neil Pitman of SIAP presented the Internal Audit Charter 2023/24 (“the Charter”) to the Committee.

The Charter established the role of internal audit within the Council and was presented to the Committee for approval in accordance with the requirements of the Public Sector Internal Audit Standards. The Charter had already been approved by the Extended Management Team.

It was noted that the Charter had been reviewed recently by the Committee following a review of the document by SIAP and the Head of Legal Services. It was confirmed that there had been no changes to the standards over the course of the year and therefore the Charter was substantially the same as approved in September 2022.

The Chair proposed an amendment to the report recommendation to include the words “the Committee reserves the right to request a report from Officers regarding why any proposed changes to the Internal Audit Charter are required”. Councillor Cooper seconded the amendment. On being put to the vote, the amendment was carried.

**RESOLVED** – that:

- A. the Committee approves the Internal Audit Charter 2023/24.
- B. the Committee reserves the right to request a report from Officers explaining why any proposed changes to the Internal Audit Charter are required.

## **291. FUTURE TANDRIDGE PROGRAMME UPDATE - MARCH 2023**

The Committee considered a report concerning the governance and risk management arrangements for the Future Tandridge Programme (“FTP”). The Chief Finance Officer informed the Committee that the report included the programme risks and financial risk assessment as reported to the Strategy & Resources Committee on 30 March 2023.

The key programme developments include the approval of:

- the remaining funding to deliver the programme, subject to the caveat that this be reported back to Members in terms of its usage at regular intervals.
- the direction of travel to develop shared services in Revenues and Benefits with Reigate & Banstead Borough Council.
- the approval of the digital business case.

Risk scores had been updated since the last meeting of the Committee and an audit trail to the changes had been included in the report appendices. It was noted that the Savings Realisation Audit, as referred to in the SIAP internal audit update, would be reported back to Members at the next committee meeting. Officers were of the view that strong governance procedures were in place to manage the programme risks and the delivery of savings. It was also noted that

previous concerns raised by Committee Chair had also been considered and would be reviewed with him in due course.

The financial risk assessment, setting out the level of confidence in delivering the projected savings of £1.7 million in 2023/24, had been included in the appendices. It was noted that £630k of savings had been completed to date. A further £964k were highlighted as having some risks to delivery although it was expected that these savings will be delivered. Updates would be provided to the Committee during the course of the next year.

The Committee was pleased with the progress of the savings and was of the view that this would provide a more resilient Council in the future.

In response to questions from the Chair, it was noted that:

- a new digital lead and an interim finance commercial analyst had recently been appointed. The Council was still in the process of appointing an organisational development lead.
- there had been feedback from staff on the timeliness and comprehensiveness of the updates from the Council on the FTP. Following the highlighting of this risk, the Communications team had been working closely with Heads of Service and the Council was now of the view that this risk had been addressed.

**RESOLVED** – that the Committee:

- A. note the direction of travel for the FTP and the savings identified for delivery in 2023/24.
- B. note the approach to risk management being applied and the current programme level risks identified in Appendix B.

Rising 8.21 pm

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**Audit & Scrutiny Committee – 4 April 2023 – Standing Order 30 Question****Question from Councillor Cooper and response from the Chief Finance Officer**Question

Please could you provide me with the final audited figures or latest estimates for TDC, i.e. two figures, for

- 1) the final surplus/deficit figure
- 2) the final published reserve figure

for each of the following financial years:

- 2019/2020
- 2020/2021
- 2021/2022
- 2022/2023

Response

The Council's revenue budget outturn figure is as follows for the most recent four financial years:

- 2019/20 £1.991 deficit
- 2020/21 £0.885m surplus
- 2021/22 £0.458m surplus
- 2022/23 As reported to S&R on 30<sup>th</sup> March, the Council is expecting a balanced outturn, which is comprised of a £0.394m committee deficit, offset by £0.484m of budget contingencies.

The Council's general fund reserve figures are as follows:

- 2019/20 closing balance (after the £1.991m deficit) - £2.6m
- 2020/21 closing - £2.8m
- 2021/22 closing - £2.8m
- 2022/23 closing - £2.8m (expected)

The general fund has remained relatively stable following the deficit in 2019/20, as surpluses have mainly been transferred to a series of earmarked reserves, depending on decisions made by Strategy and Resources Committee at outturn. The full reserve movements are presented as an appendix to the Council's budget each February.

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## 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 25<sup>th</sup> May 2023 at 9.17pm.

**PRESENT:** Councillors Allen, Booth, Chotai, Cooper, Sue Farr, Anna Jones, North, Patel, Sharp, Colin White and Nicholas White

#### 1. **ELECTION OF CHAIR FOR 2023/24**

**RESOLVED** – that Councillor Booth be elected Chair of the Committee for the 2023/24 municipal year.

#### 2. **ELECTION OF VICE CHAIR FOR 2023/24**

**RESOLVED** – that Councillor Allen be elected Vice-Chair of the Committee for the 2023/24 municipal year.

Rising 9.18 pm

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## External Audit - 2020/21 Accounts

### Audit & Scrutiny Committee Tuesday, 27th June 2023

Report of: Chief Finance Officer (Section 151)

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Purpose: To update the Committee on the audit of the 2020/21 accounts and proposed fees for 2019/20 and 2020/21.

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Publication status: Unrestricted

Wards affected: All wards

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#### Executive summary:

At its meeting on 4<sup>th</sup> April 2023, the Audit and Scrutiny Committee received confirmation that the Council's external auditors Deloitte had substantially completed their audit of the 2020/21 accounts. The Committee were also informed about the conclusions reached during the 2020/21 audit, along with their findings and a summary of outstanding actions. Since that meeting Deloitte have signed the accounts and issued their signed audit opinion. The signed opinion is attached as Appendix 1.

Additionally, fee variations for 2019/20 and 2020/21 have been proposed by Deloitte. The report sets out these variations and proposes a course of action to address.

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**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

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#### Recommendation to Committee:

1. Note the signed audit opinion for the 2020/21 accounts.
2. Reject the proposed fee variations for 2019/20 and 2020/21 as set out in Appendix 2.
3. Note that officers have begun the process to challenge the fees and will report back to Committee as this work progresses.

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## **Reason for recommendation:**

The report provides an update to the Audit & Scrutiny Committee on the finalisation of the 2020/21 audit.

The report sets out the proposed audit fees for 2019/20 and 2020/21, which management dispute and are in the process of seeking advice on appropriate next steps.

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## **Overview**

1. The Council's external auditors, Deloitte, have provided their signed audit opinion to inform the Committee of the conclusion of the audit of the Council's 2020/21 financial statements. This opinion is set out in Appendix 1.
2. The key points to note from the report are as follows:
  - The accounts for 2020/21 give a true and fair view of the financial position of the group and of the Authority as at 31<sup>st</sup> March 2021, and the group's and the Council's expenditure and income for the year then ended.
  - The accounts have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.
  - The auditors have not identified any material uncertainty in respect of the Council's ability to continue as a going concern.
  - Findings in respect of governance arrangements and arrangements to secure financial sustainability, as reported to the Committee previously and relating specifically to the 2020/21 financial year, are repeated.
  - The auditors acknowledge that progress had been made in respect of the above.
  - The full value for money report is to follow.
3. An emphasis of matter in respect of the impact of Covid-19 on asset valuations has been included in the report. This is a standard inclusion on Local Authority audits for 2020/21, given the material uncertainty caused by the pandemic for asset valuations.
4. Deloitte have issued an unqualified opinion in respect of the statement of accounts.

## **Proposed Audit Fees**

5. On 11<sup>th</sup> May 2023, Deloitte provided a document proposing additional audit fees for 2019/20 and 2020/21. The fees are set out in Appendix 2 and summarised as follows:
  - 2019/20: £136k
  - 2020/21: £209k
  - Total: £345k

6. For context, the standard scale fee for 2019/20 and 2020/21 was £36k per year. This proposal represents a 479% increase. The variation represents 3% of the Council's annual budget.
7. The S151 Officer has informed Deloitte that the Council intends to challenge these fees and has begun the process to seek advice from the Head of Legal Services, and from Public Sector Audit Appointments (PSAA) Ltd who procure auditors, set the standard scale fees and allocate auditors to each Council. PSAA will be involved in agreeing the final fee. The S151 Officer recommends that Committee reject the proposed fees, pending further due assessment and negotiation with PSAA.
8. For context, the PSAA requirement for audit fee variations is as follows:  
  
*"Auditors are obliged to have local discussions with individual opted-in bodies about any proposed fee variations. These discussions should take place at the earliest opportunity, and wherever possible the auditors should highlight to the audited body at the planning stage any additional work which is likely to be required during the audit, including potential fee implications. While it may not be possible to quantify the proposed fee until the work is done, early discussion can help to avoid misunderstandings at a later stage." - PSAA website.*
9. It should be noted that the accounts for financial year 2019/20 were signed on 27<sup>th</sup> January 2022 and so 15 months elapsed before the Council received a proposed fee.

## **Other options considered**

The completion of the audit and external audit process is a statutory requirement.

## **Consultation**

Not required.

## **Key implications**

### **Comments of the Chief Finance Officer**

The financial implications of the audit for 2019/20 and 2020/21 are set out in the report above. Officers will report back to the Committee in due course, once further steps have been taken to address the proposed fees.

In the meantime, it is positive that the accounts for 2020/21 have been approved with the audit opinion finalised.

### **Comments of the Head of Legal Services**

PSAA is responsible for appointing auditors and setting scales of fees for those authorities that opted into its national scheme and monitor compliance with the

contracts that councils entered into with the appointed audit firm. There is provision for a fee variation whereby additional work can be charged for. However, looking at what other local authorities have had to pay, these appear to average around £50,000. It is unreasonable for a fee variation as set out in this report to be presented without any advance warning or proper explanation throughout the audit process especially at a time where this Council is operating in an increasingly challenging financial environment. The Head of Legal will be taking this forward with the S151 Officer to ensure that a reduction of the proposed fee is obtained.

## **Equality**

There are no Equalities implications directly arising from the statutory audit of the financial statements. However, Officers have regard to the considerations as set out in the Equalities Act 2010 when deciding whether an Equality Impact Assessment will be required following any specific recommendations or future decisions.

## **Climate change**

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

## **Appendices**

Appendix 1 – Deloitte signed audit opinion  
Appendix 2 – 2020 and 2021 cost analysis

## **Background papers**

None

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TANDRIDGE DISTRICT COUNCIL

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

In our opinion the financial statements of Tandridge District Council ('the Authority') and its subsidiaries ('the group'):

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2021 and of the group's and the Authority's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

We have audited the financial statements which comprise:

- the group and Authority Movement in Reserves Statements;
- the group and Authority Comprehensive Income and Expenditure Statements;
- the group and Authority Balance Sheets;
- the group and Authority Cash Flow Statements;
- the Housing Revenue Account Income and Expenditure Statement;
- the Movement on the Housing Revenue Account Statement including related notes;
- the Collection Fund including related notes; and
- the related notes 1 to 39.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting 2020/21.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice, the Local Audit and Accountability Act 2014 and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter - material uncertainty related to property valuations

We draw attention to note 4, which describes the effects of the uncertainties created by the coronavirus (COVID-19) pandemic which they consider have persisted for some of the Council's retail properties and specific trading related assets and sectors such as Car Parks. As noted by the Council's external valuer, the pandemic has resulted in an absence of relevant or sufficient market evidence on which to base their judgements. Our opinion is not modified in respect of this matter.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the group and the Authority is adopted in consideration of the requirements set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements.

**Other information**

The other information comprises the information included in the statement of accounts, other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Chief Financial Officer's responsibilities**

As explained more fully in the Chief Financial Officer's responsibilities statement, the Chief Financial Officer is responsible for the preparation of the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the group's and the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting on the assumption that the functions of the group and the Authority will continue in operational existence for the foreseeable future.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud**

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which our procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

We considered the nature of the group and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, and the head of legal about their own identification and assessment of the risks of non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Accounts and Audit Regulations 2015, the Local Government Act 2003, the Local Government Finance Act 2012 and Local Government and Housing Act 1989.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. This included relevant employment legislation.

We discussed among the audit engagement team including relevant internal specialists such as valuations, pensions and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address them are described below:

- **Completeness of liabilities:** In order to test the completeness of liabilities pinpointed to accruals we obtained an understanding of the key controls in place in relation to completeness of expenditure and accruals and performed the testing for unrecorded liabilities based on post year end activity.
- **Recognition of Government Grants relating to COVID:** In order to test the completeness and accuracy of the agency arrangement disclosures we obtained an understanding of the key

controls in place and tested a sample of funding for Covid-19 grants and confirmed these have been recognised in accordance with any conditions applicable.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

## **REPORT ON OTHER LEGAL AND REGULATORY MATTERS**

### **Matters on which we are required to report by exception**

#### **Use of resources**

Under the Code of Audit Practice and the Local Audit and Accountability Act 2014, we are required to report to you if we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

On 4 April 2023 we reported to the council a significant weakness in the Authority's governance arrangements and arrangements to secure financial sustainability. The significant weaknesses reported were:

- We note from our discussions with management that at the beginning of the period there were weaknesses in management's understanding of overspend compared to budget and deviations from plan were not reliably understood.
- In addition to the issues identified with budget monitoring, there are weaknesses in how the body approaches and carries out its annual budget setting process which resulted in an unplanned and unmitigated cost pressure of £920,500 in the year. As a result of this Grant Thornton completed a forensic review and highlighted a number of recommendations as set out in their Report on the forensic review and fact-finding investigation into a potential budget gap for 2020/21 and its implications for 2021/22.
- The opinion of the Council's Head of Internal Audit is that only 'limited' assurance can be placed on the framework of governance risk and control. His findings include weakness in the processes and controls in place around a number of areas including (but not limited to) grant registers, information governance, treasury management and IT asset management.

These issues provide evidence of weaknesses in proper arrangements for managing risks effectively and maintaining a sound system of internal control. Throughout the period, the Council has continued to implement its action plan in response to the findings of the Centre for Public Scrutiny Governance report received in the year. Whilst we acknowledge progress has been made, there were significant weaknesses in governance arrangements during the year under audit.

Our recommendations for improvement include:

- We recommend that the council continue to embed the improved reporting and monitoring of budget variances so that business decisions can be based upon high quality data.
- We recommend that the Council implement the proposed responses to the findings identified in the Grant Thornton forensic review and fact-finding report commissioned to understand the circumstances of the surrounding the error in the budget setting process.
- We recommend that the Council ensures that all previously approved budgets are lawful in light of the budgeting gap noted above and that all appropriate action has been taken.
- We recommend that management implement the agreed responses to the findings of its internal auditor. In addition, we recommend that management complete a detailed review of key controls supporting the maintenance of financial records and the production of their financial statements. Management should undertake regular governance reviews to ensure that the governance arrangements are meeting the needs of the Council.

Our work in respect of the Authority's arrangements is not complete at the date of our report on the financial statements. We will report the outcome of our work on the Authority's arrangements and include any additional exception reporting in respect of significant weaknesses in our audit completion certificate and our separate Auditor's Annual Report. We are satisfied that the remaining work is unlikely to have a material impact on the financial statements.

#### **Respective responsibilities relating to the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources**

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under the Code of Audit Practice and Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2021, as to whether the Authority had proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the Authority a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021 by the time of the issue of our audit report. Other findings from our work, including our commentary on the Authority's arrangements, will be reported in our separate Auditor's Annual Report.

#### **Reports in the public interest or to the regulator**

The Code of Audit Practice also requires us to report to you if:

- any matters have been reported in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of, the audit;
- any recommendations have been made under Section 24 of the Local Audit and Accountability Act 2014;
- an application has been made to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- an advisory notice has been issued under Section 29 of the Local Audit and Accountability Act 2014; or
- an application for judicial review has been made under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in respect of these matters.

#### **DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT**

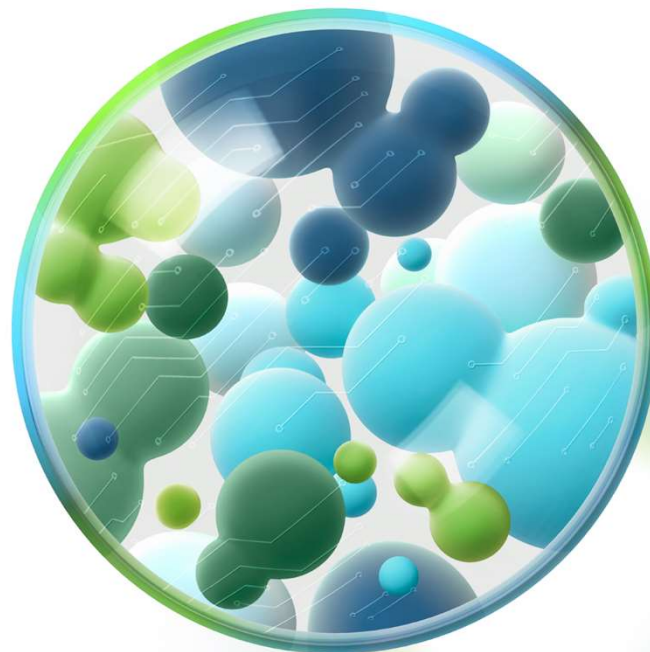
We cannot formally conclude the audit and issue an audit certificate until we have completed our work in respect of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources (as reported in the Matters on which we are required to report by exception – Use of resources section of our report). We are satisfied that our remaining work in this area is unlikely to have a material impact on the financial statements.

#### **Use of our report**

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Authority, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.



Michelle Hopton (Key Audit Partner)  
For and on behalf of Deloitte LLP  
Bristol, United Kingdom  
25 May 2023



# Tandridge District Council 2020 and 2021 cost analysis

Issued in April 2023 for the year ended 31 March 2020 and 2021

# Summary of overrun costs incurred

The scale fees for the 2019/20 and 2020/21 audits of the Council were £36k per annum. These are the same scale fees as the 2018/19 audit, for which we absorbed a number of areas of increased cost on the basis that a first year audit. The scale fee is based on assumptions about the scope and required time to complete our work, and does not reflect any additional audit issues for the year, or the increasing scope of work required due to new auditing requirements and regulatory requirements. For 2019/20 there was a significant change in scope and additional work required as detailed in our Audit Committee reporting. For 2020/21 there were a number of issues also noted within the final Audit Committee reporting which resulted in additional hours being incurred.

The total time incurred for the 2019/20 audit was c4,600 hours, compared to planned time allowed for in the scale fee of c700h, for 2020/21 the audit hours incurred was c5,800 hours. The additional fee we are requesting in relation to this work is £136k for 2019/20 and £209k for 2020/21. For 2019/20 this, represents 2,740 hours at scale fee rates, with 1,160 additional hours absorbed reflecting a recognition of inefficiencies arising on our part and sharing some of the impact of Covid upon the audit process. For 2020/21 this increased fee represents 3,038 hours with 2,111 hours being absorbed by Deloitte as a sharing of the impact of remote working as a result of Covid .

2020 Overrun categories	Partner/ director	Senior manager/ manager	Senior auditor	Other staff	Total	Fee
Sup	5	32	32	24	93	5,364
Pension	4	20	30		54	3,398
PPE valuation	8	59	70	35	172	9,913
Technical accounting issues	8	65	90	100	263	13,631
Quality or preparation issue	8	116	640	665	1,429	63,544
VFM	12	60	40		112	7,844
Covid-19 impact on completion		35	80	80	195	9,195
Covid-19 time impact	4	50	16		70	4,930
PPE valuation use of an expert	12	36	20		68	5,152
<i>Other:</i>						
Impact of Internal Audit findings on scope of work	4	40	120	120	284	13,408
	65	513	1,138	1,024	2,740	136,379



# Summary of overrun costs incurred

The increase in the fee between 2019/20 and 2010/21 is mainly as a result of an increase in the PSAA rate card by 25% between these years, in addition there has been a significant change in the scope and reporting requirements in relation to VFM.

2021 Overrun categories	Partner/ director	Senior manager/ma nager	Senior auditor	Other staff	Total	Fee
Group	5	32	32	24	93	6,705
Pension	8	50	40	-	98	8,230
PPE valuation	24	80	120	-	224	18,320
Technical accounting issues	8	40	-	-	48	4,960
Quality or preparation issue	-	120	700	700	1,520	83,720
New System Implementation	24	120	-	-	144	14,880
VFM – preparation of the Annual Audit Report	24	80	80	-	184	15,960
VFM – Significant weaknesses	16	80	-	-	96	9,920
Covid-19 impact on completion	4	35	80	80	199	12,165
Covid-19 time impact	16	50	80	40	186	13,710
Ppe Valuation us of an expert	16	40	-	-	56	6,280
ISA540	8	16	40	-	64	5,136
<i>Other:</i>						
Impact of Internal Audit findings on scope of work	4	40	80	-	124	9,202
	157	783	1,252	844	3,036	209,006

# 2020 Cost analysis by category

# Cost analysis by category

Group						Pension					
Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee	Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee
5	32	32	24	93	5,364	4	20	30		54	3,398
<p>Notes:</p> <p>The council is required to prepare group accounts to consolidate its subsidiary Gryllus Property Limited which hold material property assets as at year end, requiring audit of group accounting and disclosures.</p>						<p>Notes:</p> <ul style="list-style-type: none"> <li>Increased FRC challenge has led to more detailed work and additional reviews and procedures, including increased involvement of specialists, consideration of their work and documentation and review of conclusions.</li> </ul>					

# Cost analysis by category

PPE Valuation						Technical accounting issues					
Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee	Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee
8	59	70	35	172	9,913	8	65	90	100	263	13,631
<p>Notes:</p> <ul style="list-style-type: none"> <li>Increased FRC challenge has led to more detailed work and additional reviews and procedures, including increased involvement of specialists, consideration of their work and documentation and review of conclusions.</li> <li>Additional work was required over further valuation to cover two new assets purchased in the year which had been excluded from the original valuation. Undertaking this process required us to complete an additional review with the support of our specialist valuation team and resulted in an adjustment to the financial statements being made.</li> <li>As a result of the Covid-19 pandemic, an emphasis of matter was reporting in our audit opinion requiring additional quality review procedures to be followed.</li> </ul>						<p>Notes:</p> <ul style="list-style-type: none"> <li>An error was identified in historic cost depreciation which required significant additional work in testing to obtain assurance over the resolution of the issue.</li> <li>An error was identified in the bank reconciliation as a result of the control not operating in the way management expected. This required extensive investigation by the council and additional audit work by Deloitte. There were significant delays in identifying the underlying cause of the issue and taking action to rectify it.</li> </ul>					

# Cost analysis by category

Quality or preparation issue						VFM					
Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee	Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee
8	116	640	665	1,429	63,544	12	60	40		112	7,884
<p>Notes:</p> <ul style="list-style-type: none"> <li>The supporting schedules provided for audit did not include all of the analysis necessary for reconciliation between schedules tested and the financial statements, with inconsistencies between information provided in differing areas introducing issues in determining total coverage and reconciliation of the accounts. This meant that it was not possible to reconcile between the audit testing and the financial statements.</li> <li>When issues on tie in were identified, and challenges raised, it took a further 5 months for the full mapping document to be shared with us or identified as the reasons for the issues arising. (The schedule had not been provided as the relevant contact had considered the spreadsheet too large to share, and had not identified the need for relevant analysis to support the data).</li> <li>Once we obtained the correct mapping document, extensive work was required to audit this in order to gain assurance that we could map the detailed testing to the financial statements.</li> <li>Due to other pressures upon the council at the time, there were limitations on capacity to provide support to the audit and relevant information/ resolve queries, significantly impacting the time taken on areas of the audit.</li> <li>The quality of some audit evidence and explanations received were not adequate for example, we received at least four different explanations for the movement in an accruals balance over a period of more than a year before reaching a satisfactory conclusion.</li> </ul>						<p>Notes:</p> <ul style="list-style-type: none"> <li>A number of whistleblowing reports were made in the year, and required additional work to consider and conclude upon.</li> <li>Widespread concerns were identified around the governance arrangements in place at the council, and over budgeting processes, were identified, with third party report commissioned by the council.</li> <li>These matters required significant follow up and resulted in a qualified VfM conclusion.</li> </ul>					

# Cost analysis by category

Covid-19 impact on completion						Covid-19 time impact					
Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee	Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee
	35	80	80	195	9,195	4	50	16		70	4,930

Notes:

- COVID-19 required us to consider a change in scope of the our audit in a number of ways. It has also required us to alter the way the audit was conducted. Examples are included below:
  - Update on control environment
    - Due to remote working and changes to the control environment and processes, we have to reassess the controls in place and consider changes made in response to COVID-19.
  - Update on risk assessment and documentation
    - As a result of the pandemic, we completed an additional exercise to updating our audit risk assessment and planning working paper, and documenting our consideration of Covid-19 upon each key balance, with additional review procedures.
    - We undertook an assessment of the income position to understand if any Covid-19 grant income should be recorded in the 2020 financial statements.
  - Audit Evidence from auditing remotely
    - Due to the impact on Tandridge, there were a number of areas of our audit which were affected due to remote working. Certain areas required additional time to collect appropriate audit evidence due to challenges with council staff working remotely or where different staff member provided information from those that normally liaise with the audit team.

# Cost analysis by category

PPE valuation use of an expert						Other – Internal audit (IA) findings impact on risk rating					
Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee	Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee
12	36	20		68	5,152	4	40	120	120	284	13,408
<ul style="list-style-type: none"> <li>Increased FRC challenge has led to more detailed work and additional reviews and procedures, including increased involvement of specialists, consideration of their work and documentation and review of conclusions.</li> </ul>						<ul style="list-style-type: none"> <li>The council received a number of limited or no assurance reports from their internal auditor which required us to revisit our risk assessment and to increase the assessed level of risk and scope of procedures for certain balances, increasing the number of samples, or add incremental audit procedures to reflect the outcome of our risk assessment.</li> </ul>					

# 2021 Cost analysis by category



# Cost analysis by category

Group						Pension					
Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee	Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee
5	32	32	24	93	6,705	8	50	40		98	8,230
<p>Notes:</p> <ul style="list-style-type: none"> <li>The council is required to prepare group accounts to consolidate its subsidiary Gryllus Property Limited which hold material property assets as at year end, requiring audit of group accounting and disclosures.</li> </ul>						<p>Notes:</p> <ul style="list-style-type: none"> <li>Increased FRC challenge has led to more detailed work and additional reviews and procedures, including increased involvement of specialists, consideration of their work and documentation and review of conclusions.</li> <li>In addition in 2020/21 the council identified issues in locating the information provided to the actuaries which increased the resources required to complete the audit testing in this area.</li> </ul>					

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# Cost analysis by category

PPE Valuation						New system implementation					
Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee	Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee
24	80	120	-	224	18,320	24	120	-	-	144	14,880

Notes:

- Increased FRC challenge has led to more detailed work and additional reviews and procedures, including increased involvement of specialists, consideration of their work and documentation and review of conclusions.
- As a result of the Covid-19 pandemic, an emphasis of matter was reporting in our audit opinion requiring additional quality review procedures to be followed.
- The responses from the valuer in relation to the property specialists queries were poor which resulted in more resource being needed to complete the testing in relation to property valuations.

Notes:

- Post 2019/20 there was a change to the software used in relation to the Collection Fund. This resulted in breakdowns relating to balances within the Collection Fund not being available. As a result of this there were a significant number of discussion held in relation to this issue along with a change in the audit approach which resulted in additional resource being required to audit this area.

# Cost analysis by category

Quality or preparation issue						VFM- Scope Change					
Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee	Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee
-	120	700	700	1,520	83,720	24	80	80		184	15,960
<p>Notes:</p> <ul style="list-style-type: none"> <li>• The supporting schedules provided for audit did not include all of the analysis necessary for reconciliation between schedules tested and the financial statements, with inconsistencies between information provided in differing areas introducing issues in determining total coverage and reconciliation of the accounts. This meant that it was not possible to reconcile between the audit testing and the financial statements. These issues were more limited in FY21 and were identified sooner following the experience gained in FY20.</li> <li>• Due to other pressures upon the council at the time due to capacity and the change in the finance team due to redundancies there were limitations on capacity to provide support to the audit and relevant information/ resolve queries, significantly impacting the time taken on areas of the audit.</li> <li>• For example: <ul style="list-style-type: none"> <li>○ Our comments on the accounts went unaddressed for over a year and then took countless more iterations to fully resolve.</li> <li>○ We did not receive any response to our request for information to support our work on value for money for ~ 17 months and when we did receive a reply, much of the supporting evidence related to the incorrect financial period. It took a number of additional months for the supporting evidence for the correct period to be provided.</li> </ul> </li> </ul>						<p>Notes:</p> <ul style="list-style-type: none"> <li>• During the year there was a change in the scope of work required in relation to VFM which increased the reporting with the inclusion of an Annual Audit Report which increased the level of resource required in this area.</li> <li>• The audit fee included above is inline with the fee changed to other Councils as a result of this scope change.</li> </ul>					

# Cost analysis by category

## VFM – Significant weaknesses

Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee
-16	80	-	-	96	9,920

- In September 2021 it was identified that there was a £920k gap in the budget that was approved for 2020/21 which resulted in a detailed review being undertaken by the Council. This resulted in a significant risk being identified in relation to VFM where the conclusion was that a significant weakness was identified.
- Due to historic issues in relation to financial sustainability a significant risk to VFM was also identified. This resulted in a detailed review being completed in relation to the budgets and outturn position being reviewed for 2021/22 and 2023/23 along with a detailed review of the approved budget for 2023/24 and the savings plan that has been identified.
- In the prior year there was a detailed governance review issued which highlighted significant issues in relation to the governance arrangements at the Council which also required detailed review in relation to the progress made in relation to implementing the actions following this report.
- The internal audit opinion for 2020/21 was limited assurance overall, this has therefore highlighted a significant risk in relation to VFM which has been considered in detail as part of the VFM work.

# Cost analysis by category

Covid-19 impact on completion						Covid-19 time impact					
Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee	Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee
4	35	80	80	199	9,920	16	50	80	40	186	13,170

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COVID-19 required us to consider a change in scope of the our audit in a number of ways. It has also required us to alter the way the audit was conducted. Examples are included below:

Update on control environment

- Due to remote working and changes to the control environment and processes, we have to reassess the controls in place and consider changes made in response to COVID-19.

Update on risk assessment and documentation

- As a result of the pandemic, we completed an additional exercise to updating our audit risk assessment and planning working paper, and documenting our consideration of Covid-19 upon each key balance, with additional review procedures.
- We undertook an assessment of the income position to understand if any Covid-19 grant income should be recorded in the 2020 financial statements.

Audit Evidence from auditing remotely

- Due to the impact on Tandridge, there were a number of areas of our audit which were affected due to remote working. Certain areas required additional time to collect appropriate audit evidence due to challenges with council staff working remotely or where different staff member provided information from those that normally liaise with the audit team.

COVID 19 grants

- As significant audit risk was identified in 2020/21 in relation to COVID 19 grants which changed the scope of the audit.

# Cost analysis by category

## PPE valuation use of an expert

Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee
16	40	-	-	56	6,280

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Increased FRC challenge has led to more detailed work and additional reviews and procedures, including increased involvement of specialists, consideration of their work and documentation and review of conclusions.

## Other – Internal audit (IA) findings impact on risk rating

Partner/ Director	Senior manager/ Manager	Senior auditor	Other	Total	Fee
4	40	80	-	124	9,020

- The council received a number of limited or no assurance reports from their internal auditor which required us to revisit our risk assessment and to increase the assessed level of risk and scope of procedures for certain balances, increasing the number of samples, or add incremental audit procedures to reflect the outcome of our risk assessment.

## External Audit Plan - 2021/22

### Audit & Scrutiny Committee Tuesday, 27th June 2023

Report of: Chief Finance Officer (Section 151)

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Purpose: Information

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Publication status: Unrestricted

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Wards affected: All wards

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#### **Executive summary:**

This report accompanies the External Auditor (Deloitte)'s final plan for auditing the Council's Statement of Accounts 2021/22.

The approach is set out in Appendix A and shows the principal matters that the audit will focus on.

The plan has been finalised following the completion and signing of the 2020/21 audit. Detailed planning work is under way with Officers.

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**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

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#### **Recommendation to Committee:**

That Committee approves the final 2021/22 audit plan.

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#### **Reason for recommendation:**

External auditors are required to agree a plan for auditing each year's Statement of Accounts prior to commencement of the audit. Audit and Scrutiny Committee is responsible for approving that plan under its remit to "resolve issues arising out of the financial audit of the accounts."

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## **Overview**

1. On 27<sup>th</sup> September 2022, the Council's External Auditors, Deloitte, set out an indicative audit plan for 2021/22. Following the conclusion of the 2020/21 audit, they have now set out the final audit plan as required by the International Standard on Auditing 26. This provides an opportunity for the External Auditor to communicate its plan for auditing the Council's 2021/22 Statement of Accounts to Members.
2. The Audit Plan enables Deloitte to:
  - Explain the audit process.
  - Set out the scope, key responsibilities and approach.
  - Highlight any changes to the requirements of the auditor.
  - Describe significant audit risks and risk assessment process.
  - Outline the approach to materiality.
  - Advise of the fee for the 2021/22 audit and the independence of the auditor.
  - Outline the process for reporting back to the Council on their work.
  - Set out responsibilities in relation to fraud.
  - Explain the approach to quality control.
3. The contents of the Audit Plan have been discussed with management.

## **Key Issues**

4. Pages 4 to 6 set out significant audit risks to be addressed:
  - Capital Expenditure
  - Property Valuations
  - Management Override of Controls
  - Pension Valuations
5. These are standard risks across local authority audits and do not indicate that the auditor has concerns to this Council. Further detail is set out in the Appendix.

## **Value for Money**

6. The approach to the Value for Money review changed for all Local Authorities for 2020/21 and subsequent audits. The National Audit Office's 2020 Code of Audit Practice revises the scope of the required work of the auditor on bodies' arrangements to secure value for money, moving away from a binary conclusion on arrangements in the audit report to a narrative commentary in a new "Auditor's Annual Report" (which replaces the Annual Audit Letter). Further details are provided on Page 7 of the Appendix.



## **Audit Fees**

7. The standard audit fee for 2021/22 is £36k. Page 9 of the Appendix sets out issues relating to the perceived inadequacy of the fee, along with an expectation that fees will increase. During 2021/22, Government provided the Council £18k of additional funding to meet the increased cost of external audit. Some increase in scale fee is therefore to be expected, but officers will review closely before bringing a position to the Committee for approval. The report notes that the audit fees for 2019/20 and 2020/21 are still open. Given that the fees proposed for 2019/20 and 2020/21 significantly exceed the scale fee, it is management's expectation that Deloitte will discuss any variation to the 2021/22 fee with management at the earliest possible opportunity and that where Deloitte know there to be an additional requirement in advance, this be agreed with management before the associated work commences.
8. As set out in the earlier item on this Committee's agenda, the PSAA requirement for audit fee variations is as follows:

*"Auditors are obliged to have local discussions with individual opted-in bodies about any proposed fee variations. These discussions should take place at the earliest opportunity, and wherever possible the auditors should highlight to the audited body at the planning stage any additional work which is likely to be required during the audit, including potential fee implications. While it may not be possible to quantify the proposed fee until the work is done, early discussion can help to avoid misunderstandings at a later stage." - PSAA website.*

## **Other options considered**

The completion of the audit is a statutory requirement.

## **Consultation**

Not required.

## **Key implications**

### **Comments of the Chief Finance Officer**

The financial implications of the report are set out above. The external auditor has pointed out that it is likely that fee variations will be required. The Chief Finance Officer will advise Deloitte that, in accordance with PSAA requirements, the fee implications should be discussed with management at the earliest opportunity.

### **Comments of the Head of Legal Services**

In relation to the Council's Constitution and the specific role and responsibilities of this Committee, the Constitution provides that the overall purpose of the Committee is *'to be responsible for the review and scrutiny of the decisions and*

*performance of the Council, audit arrangements and providing opportunities for other organisations to present / explain key aspects of their local services'. In particular, the Committee is responsible for overseeing both internal and external audit helping to ensure that efficient and effective assurance arrangements are in place.*

To discharge its functions effectively, the Committee is required to operate within their agreed Terms of Reference. The external auditor's Plan is designed to ensure that.

### **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.

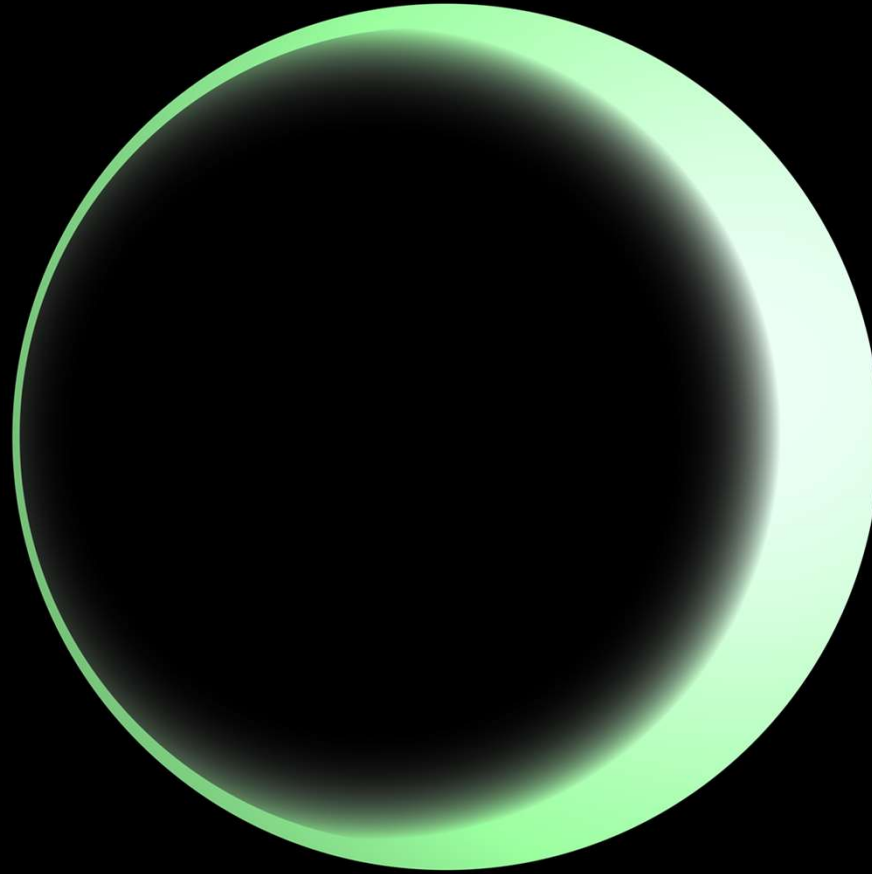
### **Appendices**

Appendix A – Deloitte Final Audit Plan 2021/22

### **Background papers**

None

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



**Tandridge District Council**

Planning report to the Audit and Scrutiny Committee for the 2021/22 audit

Dear Chair,

## **Statutory audit of the financial statements of the Tandridge District Council (“the Council”) for the year ended 31 March 2022.**

We have pleasure in setting out in this report the principal matters that we will focus on during our audit of Tandridge District Council (the Council) for the period ended 31 March 2022. This letter covers those matters which Auditing Standards require us to communicate to those charged with governance (the “Audit and Scrutiny Committee”). Our audit planning is at a preliminary stage, we will keep this plan under review when we complete our detailed planning for the coming year.

### **Audit Scope**

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Our principal audit objective is to obtain sufficient, relevant and reliable audit evidence to enable us to express an opinion on the statutory accounts of the Council prepared in accordance with the Code of Practice on Local Authority Accounting (“the Code”) issued by CIPFA for the period ending 31 March 2022. We will conduct our audit in accordance with International Standards on Auditing (UK) (“ISA UK”) as adopted by the UK Auditing Practices Board (“APB”) and Code of Audit Practice issued by the National Audit Office.

We anticipate that the Council will continue to be the only individually significant component for the group audit. The group audit team will perform central procedures on the Council’s subsidiary, including considering property valuations as part of our significant risk procedures.

### **Significant Audit Risks**

Our preliminary risk assessment has identified the following significant audit risks, discussed further on pages 4-5:

- Capital expenditure;
- Property Valuations; and
- The potential risk of management override.

### **Other Areas of Audit Focus**

Other matters which we have not currently identified as significant audit risks for the 2021/22 audit, but which will be areas of audit focus (and whose risk we will reassess as more information becomes available), include:

- Pensions Valuations.

It should be noted that the pension liability as at the 31 March 2022 will need to be recalculated by the actuary as a result of completion of the triannual valuation which has recently been concluded. This has highlighted changes to the membership data that is expected to have a material impact on the pension liability as at the 31 March 2022.

<b>Value for Money</b>	The National Audit Office's 2020 Code of Audit Practice revises the scope of the required work of the auditor on bodies' arrangements to secure value for money, moving away from a binary conclusion on arrangements in the audit report to a narrative commentary in a new "Auditor's Annual Report" (which replaces the Annual Audit Letter).
<b>Materiality</b>	We plan to set materiality based on 2% of gross expenditure (included in the surplus/deficit on provision of services) in the draft financial statements as the benchmark for determining materiality which is consistent with prior year. We report to the you on all unadjusted misstatements greater than 5% of materiality for the financial statements and other adjustments that are qualitatively material. The materiality set for 2020/21 was £1.16m and we do not expect the 2021/22 materiality to move significantly from this, however, we will calculate the actual materiality one the 2021/22 financial statements have been received.

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## Significant audit risks

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### Recognition of capital expenditure

#### Risk Identified

Under UK auditing standards, there is a presumed risk of revenue recognition due to fraud. We have rebutted this risk, and instead believe that the fraud risk lies with the capital expenditure.

The Council's capital expenditure in 2020/21 was £11.3m (2019/20 £42.5m).

There is an element of judgement in applying the relevant capitalisation criteria for expenditure. We therefore consider that there is an incentive for revenue expenditure to be capitalised so that this expenditure does not impact the statement of comprehensive income in one year, but is instead spread over a number of years through the depreciation charges in an attempt to report a more favourable year end position.

#### Our response

Our work in this area will include the following:

We will test the design and implementation of the key controls in place in relation to the determination of capitalisation expenditure.

We will perform test of details of capital expenditures during the year 2021/22 on a sample basis to confirm that the capitalisation criteria has been met and complies with relevant accounting requirements.

We will identify the journals of increased audit interest within capital expenditure.

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## Property valuation

### Risk identified

The Council held £380.04m of land and buildings (including dwellings) at 31 March 2021 and £6.2m of investment property.

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Council's land and buildings are revalued every five years, on a rolling basis with a desk top revaluation review carried out annually to identify any material changes to assets not revalued in the year. As a result of this, however, individual assets may not be revalued for four years. There is therefore a risk that that the carrying value of assets not included in the Council's revaluation process in the current year materially differ from the year end fair value. Investment properties are valued each year.

In addition, given the material value of the assets, and judgemental valuation assumptions, there is a risk that property balances may be materially misstated.

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## Significant audit risks - Continued

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### Our response

- We will understand and challenge how the Council assures itself that there are no material impairments or changes in value for the assets not covered by the annual valuation;
- We will review any revaluations performed in the year, assessing whether they have been performed in a reasonable manner, on a timely basis and by suitably qualified individuals;
- We will use our valuation specialists (Deloitte Real Estate) where considered appropriate, to support our review and challenge the appropriateness of the assumptions used in the year-end valuation of the Council's Land and Buildings (including investment property if selected for testing);
- We will test the inputs provided to the valuer; and
- We will test a sample of revalued assets and re-perform the calculation assessing whether the movement has been recorded through the correct line of the accounts.

---

## Management Override of Controls

### Risk identified

In accordance with ISA 240 (UK) management override is a significant risk. This risk area includes the potential for management to use their judgement to influence the financial statements as well as the potential to override the Council's controls for specific transactions.

The key judgments in the financial statements are those which we have selected to be the significant audit risks and areas of audit interest: completeness of expenditure, valuation of the Council's estate and valuation of the pension liability. These are inherently the areas in which management has the potential to use their judgment to influence the financial statements.

### Our response

In considering the risk of management override, we plan to perform the following audit procedures that directly address this risk:

- We will test the design and implementation of key controls in place around journal entries and management estimates;
- We will risk assess journals and select items for detailed testing. The journal entries will be selected using computer-assisted profiling based on areas which we consider to be of increased interest;
- We will test the appropriateness of journal entries recorded in the general ledger, and other adjustments made in the preparation of financial reporting;
- We will review accounting estimates for biases that could result in material misstatements due to fraud in line with ISA 540 requirements; and,
- We will obtain an understanding of the business rationale of significant transactions that we become aware of that are outside of the normal course of business for the Council, or that otherwise appear to be unusual, given our understanding of the entity and its environment.

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## Other Areas of Audit Focus

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### Pensions Valuations

#### Risk Identified

The Council are part of the Local Government Pension Scheme administered by Surrey County Council. At 31 March 2021, the Council recognised a net pensions liability of £62.7m with a defined benefit obligation of £150.8m and asset value of £88.1m. The Code requires that their year end carrying value should reflect the appropriate fair value at that date.

Hymans Robertson act as the Council's expert actuary, who produce a report outlining the liability and disclosures required for each council.

#### Our response

We carry out a separate, detailed risk assessment of each of the individual components of the liability calculation (for example market assumptions, membership data, assets and liabilities) using a developed methodology which takes into account factors such as an assessment of the actuary. We will also liaise with the scheme auditor on the results of their audit procedures on the scheme as a whole.

We will consider the make-up of the pension assets and the extent to which the asset types have been valued based on observable market prices or using estimation and judgement in the valuation and consider the extent of uncertainty in the asset valuation and the impact on our approach.

We scope our work, including the nature and extent of our actuarial specialists involvement, in a way which responds to this detailed risk assessment. Should our risk assessment change our overall audit approach in respect of testing pensions, we will notify the Committee.

We will confirm the disclosure of the pension figures in the statement of accounts agree with those provided by the scheme actuary.

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## Value for Money

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We are required to consider the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources. Under the revised requirements of the Code of Audit Practice 2020 and related Auditor Guidance Note 03, we are required to:

- Perform work to understand the Council's arrangements to secure economy, efficiency and effectiveness in the use of resources against each of the three reporting criteria:
  - **Financial sustainability:** How the body plans and manages its resources to ensure it can continue to deliver its services.
  - **Governance:** How the body ensures that it makes informed decisions and properly manages its risks.
  - **Improving economy, efficiency and effectiveness:** How the body uses information about its costs and performance to improve the way it manages and delivers its services.
- Undertake a risk assessment to identify whether there are any risks of significant weaknesses in arrangements;
- If any risks of significant weaknesses are identified, perform procedures to determine whether there is in fact a significant weakness in arrangements, and if so to make recommendations for improvement;
- Issue a narrative commentary in the Auditor's Annual Report (which replaces the Annual Audit Letter), setting out the work undertaken in respect of the reporting criteria and our findings, including any explanation needed in respect of judgements or local context for findings. If significant weaknesses are identified, the weaknesses and recommendations will be included in the reporting, together with follow-up of previous recommendations and whether they have been implemented. Where relevant, we may include reporting on any other matters arising we consider relevant to VfM arrangements, which might include emerging risks or issues.
- Where significant weaknesses are identified, report this by exception within our financial statement audit opinion.

Specific areas that we expect to focus on in understanding the Council's arrangements include the Council's response to the financial uncertainty from Covid-19 in 2021/22, the Council's budgeting process, the internal control environment at the Council and the Council's longer term planning for financial sustainability.

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## Scope of work and approach

### Key areas of responsibility under the Audit Code of Practice

#### Financial statements

We will conduct our audit in accordance with International Standards on Auditing (UK) ("ISA UK") as adopted by the UK Auditing Practices Board ("APB") and Code of Audit Practice issued by the NAO. The Council will prepare its accounts under the Code of Practice on Local Council Accounting ("the Code") issued by CIPFA.

#### Annual Governance Statement

We are required to consider the completeness of the disclosures in the Annual Governance Statement in meeting the relevant requirements and identify any inconsistencies between the disclosures and the information that we are aware of from our work on the financial statements and other work.

As part of our work we will review the annual report and compare with other available information to ensure there are no material inconsistencies. We will also review any reports from other relevant regulatory bodies and any related action plans developed by the Council.

#### Value for Money conclusion

We are required to satisfy ourselves that the Council has made proper arrangements for securing financial resilience and economy, efficiency and effectiveness in its use of resources, as discussed further on page 7.

### Our approach

#### Liaison with internal audit

The Auditing Standards Board's version of ISA UK 610 "Using the work of internal auditors" prohibits use of internal audit to provide "direct assistance" to the audit. Our approach to the use of the work of Internal Audit has been designed to be compatible with these requirements. We will review their reports and discuss with them where necessary to understand their work. We will review the work plan for internal audit, and where they have identified specific material deficiencies in the control environment we consider adjusting our testing so that the audit risk is covered by our work.

#### Approach to controls testing

Our risk assessment procedures will include obtaining an understanding of controls considered to be 'relevant to the audit'. This involves evaluating the design of the controls and determining whether they have been implemented ("D & I"). The results of our work in obtaining an understanding of controls will be collated and the impact on the extent of substantive audit testing required will be considered.

## Audit fees

The "scale fee" set by Public Sector Auditor Appointments Limited for the financial statement audit, including whole of government accounts and procedures in respect of the value for money assessment, is £35,536.

For 2022, there are on-going discussions with PSAA in respect of scale fees. We will propose the fee for 2022 following completion of the 2021 audit. We would highlight that we would expect there to be significant fee increases reflecting a number of changes in 2021, not yet agreed, including the requirements of the revised Code of Audit Practice in particular in respect of Value for Money, the increased requirements of accounting estimates under the revised ISA540, and wider regularity changes increasing the cost of audit delivery.

Overrun fees for FY20 and FY21 are £136k and £209k respectively and is currently being reviewed and agreed with management and the PSAA.

## Independence

We confirm the audit engagement team, and others in the firm as appropriate, Deloitte LLP and, where applicable, all Deloitte network firms are independent of Tandridge District Council and will reconfirm our independence and objectivity to the Audit and Scrutiny Committee for the year ending 31 March 2022 in our final report to the Audit and Scrutiny Committee. We have not undertaken any non-audit services in the year.

We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.

As part of our obligations under International Standards on Auditing (UK) and the APB's Ethical Standards we are required to report to you on all relationships (including the provision of non-audit services) between us and the audited entity.

We confirm all Deloitte network firms are independent of the Council. We take our independence and the quality of the audit work we perform very seriously. Audit quality is our number one priority.

## Fraud responsibilities and representations

### Responsibilities

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

We are required to obtain representations from your management regarding internal controls, assessment of risk and any known or suspected fraud or misstatement. As auditors, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.

### Inquiries

We will make the inquiries regarding management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments.

Whether management, internal audit and those charged with governance have knowledge of any actual, suspected or alleged fraud affecting the entity, and to obtain its views about the risks of fraud, including process for identifying and responding fraud and communication of fraudulent behaviour.

How those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud in the entity and the internal control that management has established to mitigate these risks.

## Audit timings

The FY21 audit has been completed and the intention is to commence the FY22 audit in Summer 2023. We are in the process of agreeing a detailed project plan with the finance team which the aim of the audit being completed by the end of September 2023, however this will be reliant on quality audit evidence being provided in a timely manor.

# Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

## What we report

Our report is designed to establish our respective responsibilities in relation to the financial statements audit, to agree our audit plan and to take the opportunity to ask you questions at the planning stage of our audit. Our report includes:

- Our preliminary audit plan, including key audit judgements and the planned scope.

## What we don't report

As you will be aware, our audit is not designed to identify all matters that may be relevant to the Council.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, the views on internal controls and business risk assessment in our final report should not be taken as comprehensive or as an opinion on effectiveness since they will be based solely on the audit procedures performed in the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

## Other relevant communications

We will update you if there are any significant changes to the audit plan.

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## Use of this report

This report has been prepared for the Council, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. Except where required by law or regulation, it should not be made available to any other parties without our prior written consent.

We welcome the opportunity to discuss our report with you and receive your feedback.

**Deloitte LLP**  
Bristol, 15 June 2023



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## Internal Audit 2022/23 Progress Report (May 2023)

### Audit & Scrutiny Committee – Tuesday 27 June 2023

Report of: Neil Pitman – Head of Southern Internal Audit Partnership  
[Neil.pitman@hants.gov.uk](mailto:Neil.pitman@hants.gov.uk)

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Purpose: For information

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Publication status: Unrestricted  
Wards affected: All

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#### **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.

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**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](mailto:mhaksanders@tandridge.gov.uk)

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#### **Recommendation to Committee:**

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

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#### **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.

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

**May 2023**

**Contents:**

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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:

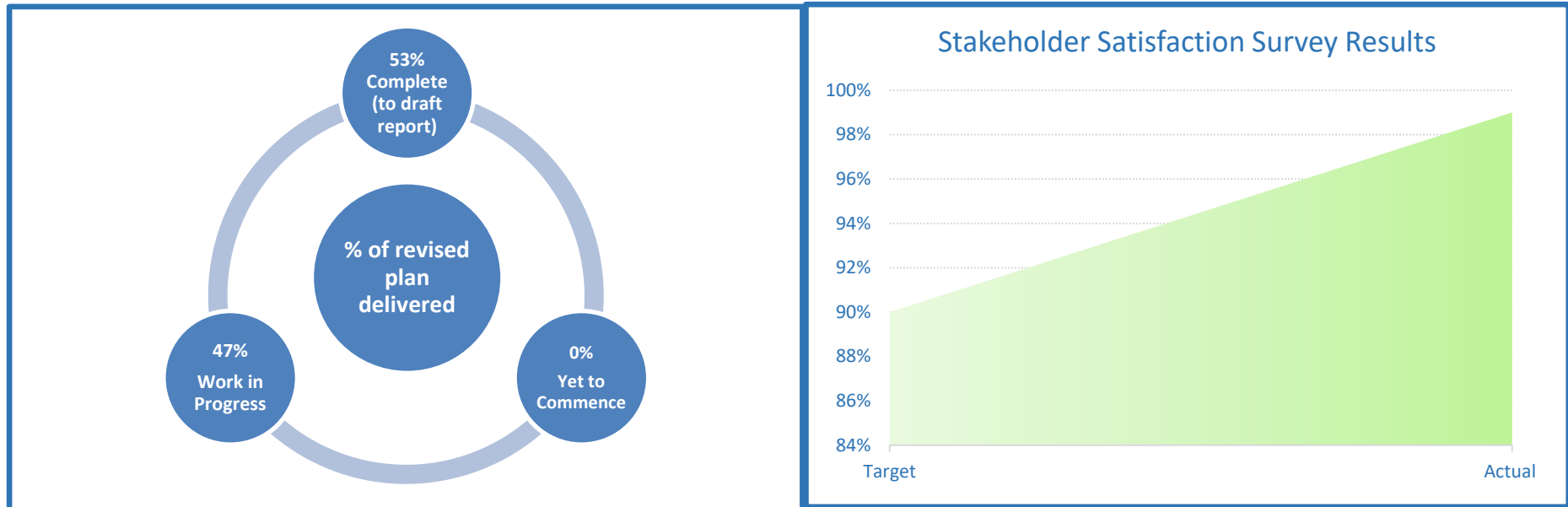
- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

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:

<b>Substantial</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
<b>Reasonable</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
<b>No</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

*\* 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
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
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)	4(1)		3	
Income Collection	08.08.22	CFO	Reasonable	5(0)	0(0)	2(0)		3	
Contract Management	11.08.22	HofLS	Limited	20(3)	0(0)	11(0)		6	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)	3(1)			
Environmental Health & Licensing	08.02.23	HofH	Reasonable	6(0)	2(0)	4(0)			
<b>Total</b>				<b>99(41)</b>	<b>3(0)</b>	<b>61(23)</b>	<b>0</b>	<b>17</b>	<b>18</b>

\*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 April 2023.

## 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
<b>Governance</b>								
Savings Realisation	CFO	✓	✓	✓	✓	✓	<b>Substantial</b>	
Health and Safety	HofT&BS	✓	✓	✓				
Risk Management	HofP&C	✓	✓	✓	✓			
Annual Governance Statement	HofL	✓	✓	✓				
<b>IT</b>								
IT Application Management (Orchard)	HofT&BS	✓	✓	✓	✓			
IT Follow Up	HofT&BS	✓	✓	✓	✓	✓	<b>n/a</b>	
<b>Core Financial Reviews</b>								
Accounts Payable	CFO	✓	✓	✓	✓	✓	<b>Reasonable</b>	
Accounts Receivable/Debt Management	CFO	✓	✓	✓				

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Main Accounting	CFO	✓	✓	✓				Close of audit held, report pending.
Payroll	CFO	✓	✓	✓				Close of audit held, report pending.
Treasury Management	CFO	✓	✓	✓	✓	✓	<b>Reasonable</b>	
<b>Service Reviews</b>								
Operational Services	EHofC	✓	✓	⊙				
Environmental Health & Licensing	EHofC	✓	✓	✓	✓	✓	<b>Reasonable</b>	
Disabled Facility Grants	EHofC	✓	✓	✓	✓	✓	<b>Reasonable</b>	
<b>Other</b>								
Follow Up	Various	✓	✓	✓				

⊙ - This symbol reflects the progress that has been made since the last progress report was presented to the Audit & Scrutiny Committee on 4<sup>th</sup> April 2023.

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 2022/23	
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)**

<b>Substantial</b>	A sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified.
<b>Adequate</b>	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.
<b>Limited</b>	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.
<b>No</b>	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.

## **Internal Audit Annual Report & Opinion 2022/23 Audit & Scrutiny Committee Tuesday, 27 June 2023**

Report of: Chief Finance Officer (Section 151)

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Purpose: For information

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Publication status: Unrestricted

Wards affected: All

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### **Executive summary:**

This report sets out that the Internal Audit Annual Report & Opinion for 2023, originally scheduled to be presented to this Committee, will be delayed until the 26<sup>th</sup> September 2023. The report outlines the current status of the internal audit plan (at time of writing) and outlines the next steps.

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

**Contact officer** Mark Hak-Sanders Finance -  
mhaksanders@tandridge.gov.uk

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### **Recommendation to Committee:**

The Committee note the delay to the finalisation of the Internal Audit Annual Report & Opinion for 2022/23.

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### **Reason for recommendation:**

The report sets out the progress to date in finalising the report and opinion, including the current position and the next steps.

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## **Position statement**

- 1 The Internal Audit Annual Report & Opinion for 2022/23 was scheduled to be presented to this Committee meeting. In order for the Chief Internal Auditor to produce the report and deliver an opinion, he must be satisfied that the audit plan is materially complete and sufficient evidence has been gathered.
- 2 Detailed progress is set out in the *Internal Audit Progress Report (May 2023)* elsewhere on this Committee's agenda, however in summary (at time of writing):
  - 53% of the audits for 2022/23 have been issued (final / draft)
  - 34% of reports are due to be issued imminently.
  - 13% of the audits are at fieldwork.

In some cases, management are in the process of providing responses to reports which have been issued over the last 1 to 3 weeks.

- 3 Key audits that need to be finalised before the Annual Report and Opinion is produced are as follows:
  - Annual Governance Statement: The fieldwork on this audit has been delayed as the Head of Legal Services is acting as Head of Service for Planning Policy and had limited capacity to progress the AGS audit.
  - Risk Management: The fieldwork on the audit has been completed and a draft report issued (within the last 3 weeks). Management are currently formulating their management actions to mitigate issues raised.
  - Health & Safety: The fieldwork on the audit is well advanced but was slightly delayed due to a combination of SIAP availability and key officer absence.

## **Next Steps**

- 4 The Chief Internal Auditor and the Internal Audit team in SIAP will continue to work with management to finalise the outstanding reports and form their opinion. A verbal update will be provided at the Committee meeting.
- 5 The report will be finalised prior to the Audit and Scrutiny Committee meeting of the 26<sup>th</sup> September 2023.

## **Key implications**

### **Comments of the Chief Finance Officer**

- 6 There are no direct financial implications of delaying the production of the report and opinion. The report informs the production of the Annual Governance Statement, which is due to come to this Committee in September.

## **Comments of the Head of Legal Services**

- 7 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states that authorities '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 annual report provides an overall opinion on the Council's internal control environment, risk management arrangements and governance framework to support the Annual Governance Statement.
- 8 It is important that sufficient work is undertaken by Internal Audit in order for the Head of Internal Audit to give their annual opinion on the Council's internal control, risk management and governance arrangements which feeds into the Annual Governance Statement. As the fieldwork for the Annual Governance Statement audit has been delayed, SIAP has been unable to complete their opinion and it is expected that a report will be presented to the next Committee meeting.

## **Appendices**

None

## **Background papers**

None

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## Future Tandridge Programme Update – June 2023

### Audit & Scrutiny Committee 27<sup>th</sup> June 2023

Report of: Chief Executive Officer

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Purpose: For information

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Publication status: Unrestricted

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Wards affected: All

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#### 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.

An update on savings and the impact to residents and the Council can be found in the Strategy & Resources committee 2023/24 Budget and Medium-Term Financial Strategy report of 31<sup>st</sup> January. This report should be read in conjunction with the budget papers. A further update on the delivery of savings was included in the FTP report to Strategy & Resources on the 30<sup>th</sup> March and a further update will be provided on 29<sup>th</sup> June.

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

The report also provides a 12-month update on the outstanding actions from the Tandridge Finance Transformation programme, which closed in July 2022. Some of the outstanding actions were rolled into FTP as part of more wide-reaching improvements.

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

**Contact officer:** David Ford – Chief Executive [dford@tandridge.gov.uk](mailto: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.
2. To note the approach to risk management being applied and the current programme level risks identified in Appendix D.
3. To note the 12-month update on the outstanding Tandridge Finance Transformation programme actions.

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## **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.

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### **1.0 Background**

#### **1.1 Financial context**

At the Strategy & Resources Committee on 30<sup>th</sup> June 2022, a savings requirement of up to £2m for 2023/24 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 1<sup>st</sup> 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 31<sup>st</sup> January 2023. On 9<sup>th</sup> 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 has begun, including the need for a new Corporate Plan to shape the priorities of the Council and inform future budgets. Initial plans for the 2024/25 budget process will be taken to Strategy & Resources Committee on the 29<sup>th</sup> June.

#### **1.2 Tandridge Finance Transformation**

On 5<sup>th</sup> July 2022, the closedown report for the Tandridge Finance Transformation was published in the Committee papers and an update was provided to this Committee in respect of progress made. A large number of benefits were delivered as part of the programme, however it was also recognised at the time that there were further benefits to be delivered

beyond the life of the programme. These relate to the embedding of a continuous improvement culture within the Finance Team, ensuring each service area manages and measures the services they provide against a set of agreed KPIs. It was agreed at the meeting in July 2022 that an annual update would be provided on progress. Further details on this can be found in Appendix A.

The next phase of transforming the Council's approach to financial management will reaffirm the focus on accountability and self-service, giving budget managers the confidence and tools to deliver their financial responsibilities. This will extend into other areas of service delivery to support the overall objective of developing the competencies and accountabilities of managers at all levels within the organisation. This is part of the FTP work, but will be developed and reported through the Committee as a key line of activity as 2023/24 progresses. This activity will also inform the requirement for future support from corporate services and form part of budget setting considerations for 2024/25.

### 1.3 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 Committee on 1<sup>st</sup> December 2022; 31<sup>st</sup> January 2023; 30<sup>th</sup> March 2023 as well as an update will be provided on 29<sup>th</sup> June 2023.

The delivery phase of the programme is now progressing with plans developed by all service workstreams, with key milestones, resource requirements and associated risks. Phase 2 restructures planning is also underway, with the consultation due to complete in September 2023.

The latest programme highlight report and programme roadmap can be found in Appendices B and C.

### 1.4 Savings approach for 24/25

Work has begun on identifying the savings target for 24/25 and the approach to be taken is being developed. Further details are included in the Strategy and Resources Committee paper for 29<sup>th</sup> June 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 F.

### **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 regular service review meetings with the FTP team and Heads of Services which are updated regularly to reflect where the mitigation or scores may have changed.

Following a recent 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. Further conversations are due to take place with the Chair of Audit & Scrutiny to provide additional assurance on the methodology used.

A view of the current FTP Programme Risk register can be found in Appendix D 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 is one area reporting red risks currently; Regulatory Services.

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 area is now owned by the Deputy Chief Executive and work has now begun on agreeing the next steps and engaging with Mole Valley.

A summary of the savings and the Red rated items can be found in Appendix E. Progress has been made in delivery of the savings since the March 2023 update, with £340k of savings being declassified as amber and moved to

complete (£184k) and green (£156k). Further details will be provided to S&R on 29<sup>th</sup> June; the purpose of this report is to demonstrate at a programme level that risks in the delivery of savings are being managed adequately.

In addition, during 2022/23 a 'Savings Delivery' audit was carried out by SIAP as part of the internal audit plan. This determined that the assurance for savings delivery was "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."

This audit will be repeated in 2023/24 to ensure that the assurance remains in place.

#### **4.0 Resourcing**

The second tranche of resources needed to deliver the FTP from April was approved by Strategy and Resources for approval on 30<sup>th</sup> March 2023. This included funding for overall programme roles and individual workstreams both internal and externally resourced.

As a result of the resource approvals in March 2023, three key programme resources have now been recruited: a Digital lead (fixed term), a Public Realm Manager in Operations (interim) and a Commercial Business analyst (interim) are now in post.

- The Digital lead will manage delivery of the scope as agreed in the Digital Customer Contact business case taken to Strategy and Resources committee for approval on 30<sup>th</sup> March.
- The Public Realm Manager is shaping the future model for the Operations service, looking at the operating model for Street Cleansing and is also playing a key role in the GM Options appraisal.
- The Commercial Business Analyst will play a key role in developing the approach to commissioning and enable accurate performance and cost information to be included in future contracts whether internal or external, shared or commissioned.

Work to recruit an OD lead remains ongoing, including discussions with neighbouring authorities on whether resource can be shared.

#### **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 31<sup>st</sup> January, as updated by the Future Tandridge Programme report to S&R on the 30<sup>th</sup> March. This will be further updated by a report to Strategy & Resources on the 27<sup>th</sup> June.

## **6.0 Comments of the Head of Legal Services – to be updated**

The delivery of the savings associated with the FTP are key to supporting the Council in closing the financial gap in the current and future years. Risks are assessed regularly and significant issues reported to the Programme and Benefits Delivery Board. This ensures that issues, concerns and risks are responded to and dealt with and also means that benefits realisation and the timely delivery of savings is consistently in focus.

## **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 – Tandridge Finance Transformation- Progress update**

**Appendix B – FTP Programme highlight report – May/ June 2023**

**Appendix C – FTP Programme roadmap**

**Appendix D - FTP Risk Register**

**Appendix E – Overall assessment of 23/24 savings delivery**

**Appendix F – Programme Governance**

**Appendix G - Glossary of Terms**

## **Background papers**

S&R Committee Report 1<sup>st</sup> February 2022

S&R Committee Report 30<sup>th</sup> June 2022

S&R Committee Report 29<sup>th</sup> September 2022

S&R Committee Report 1<sup>st</sup> December 2022

S&R Committee Report 31<sup>st</sup> January 2023

S&R Committee Report 30<sup>th</sup> March 2023

S&R Committee Report 29<sup>th</sup> June 2023

A&S Committee Report 5<sup>th</sup> July 2022 – [Agenda for Audit & Scrutiny Committee on Tuesday, 5th July, 2022, 7.30 pm - Tandridge District Council \(moderngov.co.uk\)](#)

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## **Appendix A – Tandridge Finance Transformation – Progress update**

### **1. Overview of the objectives of the Tandridge Finance Transformation**

The TFT programme set out 4 workstreams which, together, transformed the finance function and the role of finance within TDC. Below are the workstreams and the high-level objectives set at the start of the programme.

#### New Finance Model

A new, right-sized, re-shaped and strengthened operating model, blending TDC directly employed staff and senior members of the SCC finance team, was developed following a detailed activity and skills analysis. This moved from a generalist approach to a focused integrated structure with SCC overseeing the technical corporate finance functions and a dedicated 'service-facing' team, with an emphasis on business partnering, supported by SCC best practice.

#### Organisational Development

A co-designed Finance Business Partnering Agreement was developed, setting out the roles and responsibilities of finance and budget managers, delivering increased accountability and adherence to key corporate processes, governance, and controls. An aligned Learning and Development programme based on the SCC Finance Academy was created and will be delivered to TDC budget holders and Members.

#### Deliver the Budget

An in-depth review of financial fundamentals including financial policies and procedures was undertaken. In parallel we adopted a 'Twin Track' approach to identify savings to deliver a balanced budget in 2022/23 and a robust financial position for 2023/24 going forward.

#### Exchequer Transformation

A change team reshaped Exchequer Services with new business rules, controls and refined documented processes with clear ownership and performance metrics, allied to system changes to deliver a simpler and more effective function.

### **2. Closedown process**

As part of the closedown process, a review of the programme was carried out with a number of stakeholders, ranging from council members to team members. Stakeholders were asked the following questions:

- 1. What went well?**
- 2. What didn't go so well?**
- 3. What should we focus on next?**

The findings from the first two questions have been recorded as lessons learned in planning the Future Tandridge programme and also for future programmes at Tandridge. Further details of the findings can be found in the July 2022 A & S report, link in background papers section.

Further discussions on 'item 3, what should be focussed on next' identified a number of activities that were needed to continue to embed the transformation in Finance and across the business. The following key points were identified during that process:

- Implement a learning and development programme across TDC Finance
- Ensure the Finance Business Partnering agreement and the new ways of working it brings are embedded into the organisation and are part of a continuous improvement programme
- Ensure there is capacity in the team to give people time to improve
- Ensure that it is clear what has been delivered and what is outstanding
- Ensure there is a good set of KPIs in place to monitor and improve where required, for example in the areas of budget accountability and budget training
- Ensure that training is embedded, and that Finance are included in the overall approach being taken in the Future Tandridge programme
- Finance improvements – enable the right structure to be put in place to take these forwards, which will be part of the Benefits board responsibility
- Regarding how Member updates will be provided in future – reporting in the Future Tandridge programme and agreement to provide an update in June 2023 at Audit & Scrutiny.

### **3. Plans for Transition to Business as Usual (BAU)**

Much of the project focus has been about setting up a stronger BAU function in TDC, including establishing the new Finance model and introducing new ways of working within Finance and more widely within the council, by reinforcing the role of the Finance Business partner across the organisation and by introducing the Finance Business Partnering agreement.

The transition from the project phase into BAU has been facilitated by the fact that the lead on the SCC Transition moved into the S151 role at TDC. This meant that the focus on improvement and knowledge of the transformation programme became embedded in the management of the finance function.

The balance of managing the line between BAU and programme activities caused challenges at times and SCC fulfilled some of the everyday activities due to leavers and vacant roles. This was recorded as a high area of risk in the programme where operational resources were also used as SMEs within the programme. The new Finance model was put in place with clear roles and recruitment has also helped to bring clarity and ownership to the team members. In addition, Programme Management resource previously provided via SCC has now been recruited permanently into TDC, ensuring that the focus and rigour needed for improvement activities is built into the structure.

#### 4. Continuing delivery of programme objectives

Below are the programme objectives that were agreed to be part of the continuous improvement process or the Future Tandridge programme.

Ref No.	Action	Status June 2022	By When	Owner	Update
	<b>Organisation Development</b>				
1	Set up Finance Academy in Tandridge and ensure Team culture and working practices – embed business partnering and lift the team to focus on value-added work	Scoping for business case in progress	August 2022	CFO	In progress: SharePoint site exists for best practice, with guides being developed in consultation with key users. Business partners in post and working with services to provide consistent financial practice.
2	Organisational development and culture – budget accountability and improving the strength of financial information to enable that accountability	Further work to progress accountability and ownership	September 2022	CFO	Continuous: Training in progress with both officers and members to improve finance knowledge and drive budget ownership. Budget Accountability Statements launched for 2023/24, as approved by Strategy & Resources committee in January 2023.
3	Link roles in the Finance Business Partnering Agreement with finance regulations across the Council	Embed ownership of regulations	September 2022	CFO	In progress: Financial Regulations are on the agenda for S&R on 29 <sup>th</sup> June.

Ref No.	Action	Status June 2022	By When	Owner	Update
4.	Learning and Development for Councillors	In planning - Invitations to be shared with councillors	Module 1 - mid July. Module 2 - mid Sep. Module 3 - beg Oct	Senior Finance Business Partner	Continuous: Finance Modules 1 and 2 ran during 2022 calendar year, with a re-run of Module 1 for new members, and Module 3 diarised for July 2023.  Treasury Management Training conducted for Investment Sub-Committee in 2022, with annual refresh planned.
<b>New Finance Model</b>					
5.	Ensure Finance Team is fully resourced and embedding the new team	Recruit to remaining Business Partner role – dependant on recruitment success	TBC	CFO	Partially Complete: All business partner roles are filled. A vacancy supporting the Business Partnering team has been filled with temporary resource following numerous failed attempts to recruit. Recruitment is underway with consideration being given to an apprenticeship as an alternate means of recruitment.
6.	Ensure people possess best practice skills and behaviours and are able to continuously improve their knowledge	Embed best ways of working and continuous	In place	CFO	Continuous: Recruitment process with clear guidelines on levels of capability per role.

Ref No.	Action	Status June 2022	By When	Owner	Update
		improvement plan			Learning and Development needs defined through the new appraisal process
	<b>Exchequer Transformation</b>				
7.	Review and schedule items on the Exchequer Improvement Plan	High priorities identified and progressed, other items to be reviewed and addressed as required.	Complete	Exchequer Manager	Continuous: Exchequer improvement continues. Accounts Payable has moved to reasonable assurance from limited in the previous review. Accounts Receivable audit remains in progress but clear improvements have been made.  Overall sundry outstanding debt has reduced when compared to the previous financial year. And prompt payment now remains steady at 96% for AP.

#### 5. Recommended next steps - Programme / Organisation level

Ref No.	Action	Recommendation	By When	Owner	Update
8.	Agree benefit review plan	Part of the Finance & Benefits delivery workstream in	September 2022	CFO/Programme Mgr.	In progress: This report goes some way towards a formal

Ref No.	Action	Recommendation	By When	Owner	Update
		Future Tandridge Programme			benefit review however it is still the intention to secure a third-party review in future. Key internal audits have also been completed or scheduled in 2022/23:  Accounts Payable (Reasonable) Accounts Receivable (Pending) Savings Realisation (Substantial) Main Accounting (pending)
9.	Continuous improvement plan in place embedded in Finance and across the council	New ways of working to be embedded in the finance team and to continue to be assessed and improved	September 2022	CX/CFO	Continuous improvement is reflected in the Finance Service plan and appraisal system.
10.	Prioritised improvement plan for Exchequer – ensuring this becomes part of the continuous improvement activity in the Exchequer Team	Handover of improvement plan from Exchequer workstream to S151 officer and Exchequer Manager to plan	June 2022	Exchequer Services Manager / Team	In Progress: This is kept under constant review by the Exchequer Manager with regular updates with the S151 officer.
11.	Lessons learned – Learnings for reference in future activity at	Use this document as a basis along with final highlight	July 2022	PMO	Complete: The Future Tandridge Programme has used the

Ref No.	Action	Recommendation	By When	Owner	Update
	Tandridge. Ensure outstanding items are clearly highlighted.	reports to understand outstanding items and agree next steps on each			Complete. Programme Lessons Learned log as a reference point on the Future Tandridge programme. All relevant learnings should be included in the TDC central lessons log being set up as part of the new target operating model.
12.	Deliver 22/23 savings programme - ensure identified savings have plans and owners to take forward to completion	22/23 savings are mapped out as part of service reviews and other areas such as SMT restructure – these are managed by the Finance and Benefits board, part of the Future Tandridge programme	Identified by June 2022, delivery managed monthly	Finance and Benefits Board	Complete.
13.	Peer review / external validation of improvement	Review and validation will be sought to provide an independent opinion	TBC	CFO	Please see response to item 1 for details.
14.	Benefits board – transition to BAU – will run throughout the Future Tandridge Programme and remain in place as part of Finance/Change BAU	Pro-active identification and management of savings throughout the FTP programme. Future savings management to be	In place	PMO	Complete: The programme & benefits board is in place with clear remit to monitor progress against planned benefits and

Ref No.	Action	Recommendation	By When	Owner	Update
		part of the Target Operating Model for the council			identify risks to delivery.
15.	Agreed KPIs embedded in Finance – identify required KPIs, set up process to monitor and measure	Recommend usage of KPIs across Finance team to continuously monitor and improve service	TBC	Finance	Continuous: This is being introduced across the council as part of the continuous improvement process.
16.	Embedding clear and robust financial processes and procedures – set up as part of part of the programme, with clear ownership	Roles and processes defined as part of the new finance model.	September 2022	Finance	Complete: Roles and responsibilities have been embedded a part of the new model in the Finance team and all recruitment follows the same process to ensure key skills are part of expected capabilities.
17.	Embedding the role of Business Partners into services – early engagement and involvement in decision making	New finance model in place with business partner roles. Working already during the service reviews.	In place	Service wide	Complete: Business partnering is an area that is high value and will be part of the continuous improvement process across all services. Business partners in post and working with services to provide consistent financial practice.



Ref No.	Action	Recommendation	By When	Owner	Update
18.	Embedding the approach to Learning and Development	Recommend the use of SCC Finance Academy and Tandridge branding to take this forward with ownership within Finance	August 2022	Finance	continuous. Please refer to item 1 for further details.
19.	Keeping members updated on progressing the recommended next steps from the Tandridge Finance Transformation programme.	Report progress to A&S on an annual basis.	June 2023 annually	Finance	Complete. As per the latest update included in this report
20.	Carry out a Savings realisation audit for 2022/23 savings plan	Engage with SIAP to undertake an audit of the programme	Q2/Q3 2023	Finance	Complete. Audit was carried out and the Future Tandridge programme managing the 22/23 found to be Substantial – with no actions to complete.

#### Other improvements:

In addition to the objectives set out above, a number of other improvements have been made over the course of 2022/23, including:

- Reporting the quarterly monitoring and outturn position to all four policy committees rather than limited to S&R, this ensures that policy committees understand their individual financial position and the overall context.
- Improving the coding of salary costs to make salary management more straightforward.
- Various other improvements in and training on Agresso to develop the capabilities of the TDC finance team.

- Regular board meetings with Sevenoaks who provide Agresso, including a focus on Governance and Disaster Recovery.
- Reporting the Housing Revenue Account outturn position 3 months earlier in June 2023, compared to September 2022 for the previous year.
- Weekly review meetings for the Joint Working Agreement with SCC, with TDC S151 and SCC Corporate Finance Management
- Embedding roles within the Joint Working Agreement.
- Utilising access to the SCC Corporate Finance team to increase the resource available to review Fees and Charges.

## Appendix B – Programme Highlight report – May/June 2023

# Future Tandridge Programme Programme Highlight report – May 2023

### Future Tandridge Programme

Report date: 31<sup>st</sup> May 2023

SRO David Ford

Delivery lead Mark Hak-Sanders

Previous month status: **AMBER**

Lifecycle Stage Delivery

Current month status: **AMBER**

### Headlines

**Operations Grounds Maintenance Options appraisal underway. Digital & Customer Services Transformation engagement strategy and PID in development. Commissioning framework progressing. 2024/25 savings target definition and delivery plan in preparation, for June committee meetings.**

#### Progress update for May 2023

##### Service Reviews – Delivery

**Operations Transformation workstream** - Grounds maintenance Options appraisal workshops held to review four delivery options, officers across Finance, HR, FTP, Operations and Procurement scored the options against agreed criteria for review/moderation, moderation workshops planned during June. All data collation for HRA site measurement has now completed and is being review/input into the pricing model.

**Digital/Customer services Transformation** - Engagement strategy drafted and out for review with EMT, progress update to MRG provided on 31<sup>st</sup> May.

**Savings 2023/24** - Phase 2 of the team restructures progressing. Continue delivery of savings as part of the £1.7m target.

**Savings plan 2024/25** – Five threads identified for 2024/2025 savings target.

**Future Operating model** - Prioritised services for commissioning recommended and agreed with MRG. Key functions identified and working group now developing process and guides required.

**Corporate Plan:** Resident survey sent including questions relating to the Corporate Plan. This corporate plan will set out the council's objectives for the next five years and will provide a clear link between the vision and objectives to staff performance objectives.

**Organisational Development** – Lead role advertised and recruitment process underway.

**Resources** Interviews for the FTP Project support role underway during May.

#### Focus for June 2023

##### Service Reviews – Delivery

**Operations Transformation workstream** - Grounds maintenance Options appraisal – moderation/review workshop to take place during June. Recommendation and engagement with committee members to take place in advance of September committee meetings.

**Digital/Customer services Transformation** - engagement strategy and PID to be reviewed and agreed by EMT and the Digital project board respectively. Channel shift strategy to be drafted for review by project board during June. Final versions of documents to be developed during June.

**Savings 2023/24** - Phase 2 of the team restructures progressing. Continue delivery of savings as part of the £1.7m target.

**Savings plan 2024/25** - Review of savings target for 2024/2025 and agree approach on how this will be delivered, to be included in reporting at June S&R meeting.

**Future Operating model** - continue to develop commissioning framework. Finalise prioritisation process and cycle for Commissioning including delivery model assessment and Legal and Procurement elements. Begin developing approach on training and development plan for staff and agree future governance structure.

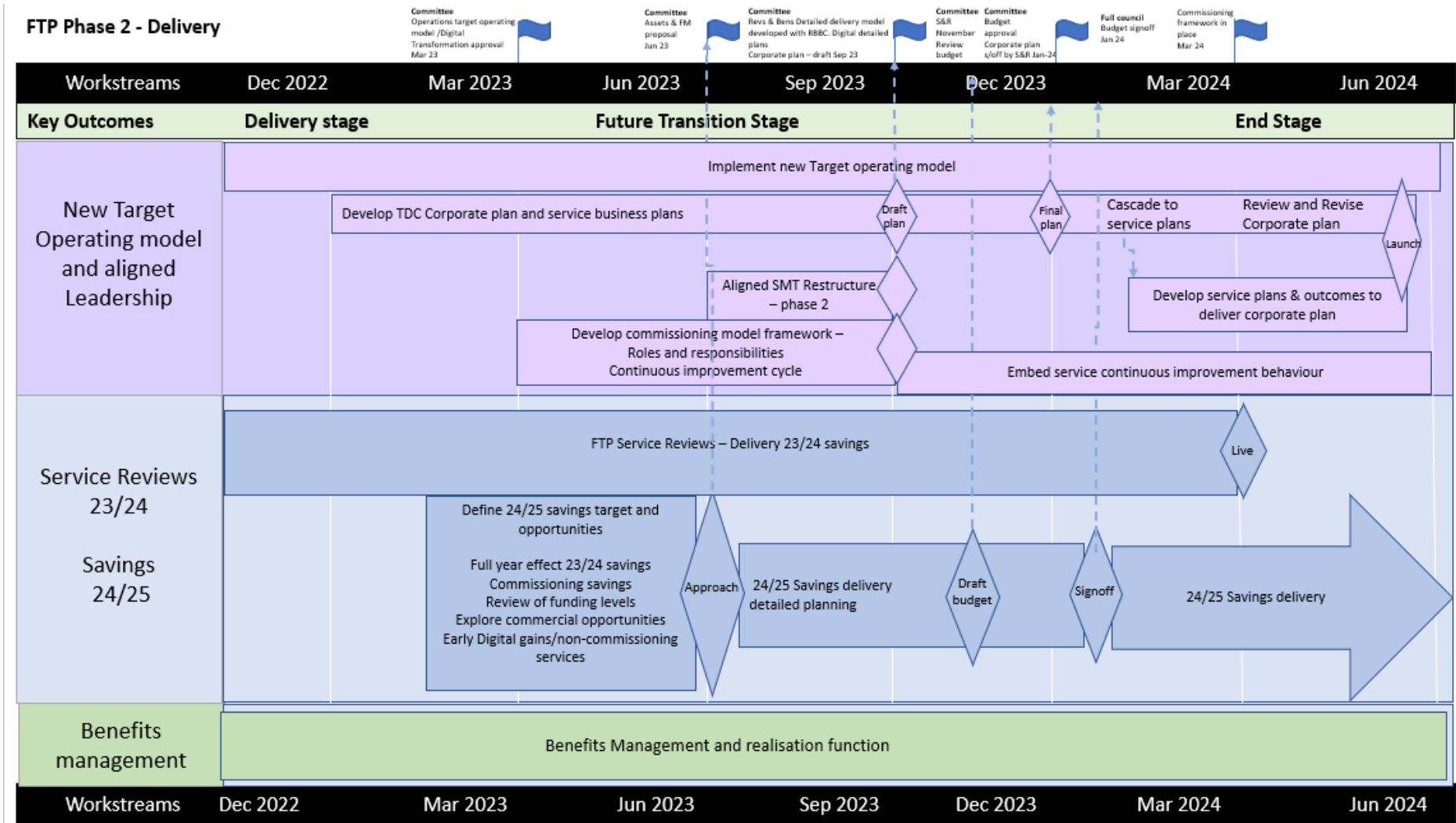
**Corporate Plan:** Corporate plan stakeholder engagement workshops scheduled to take place during June.

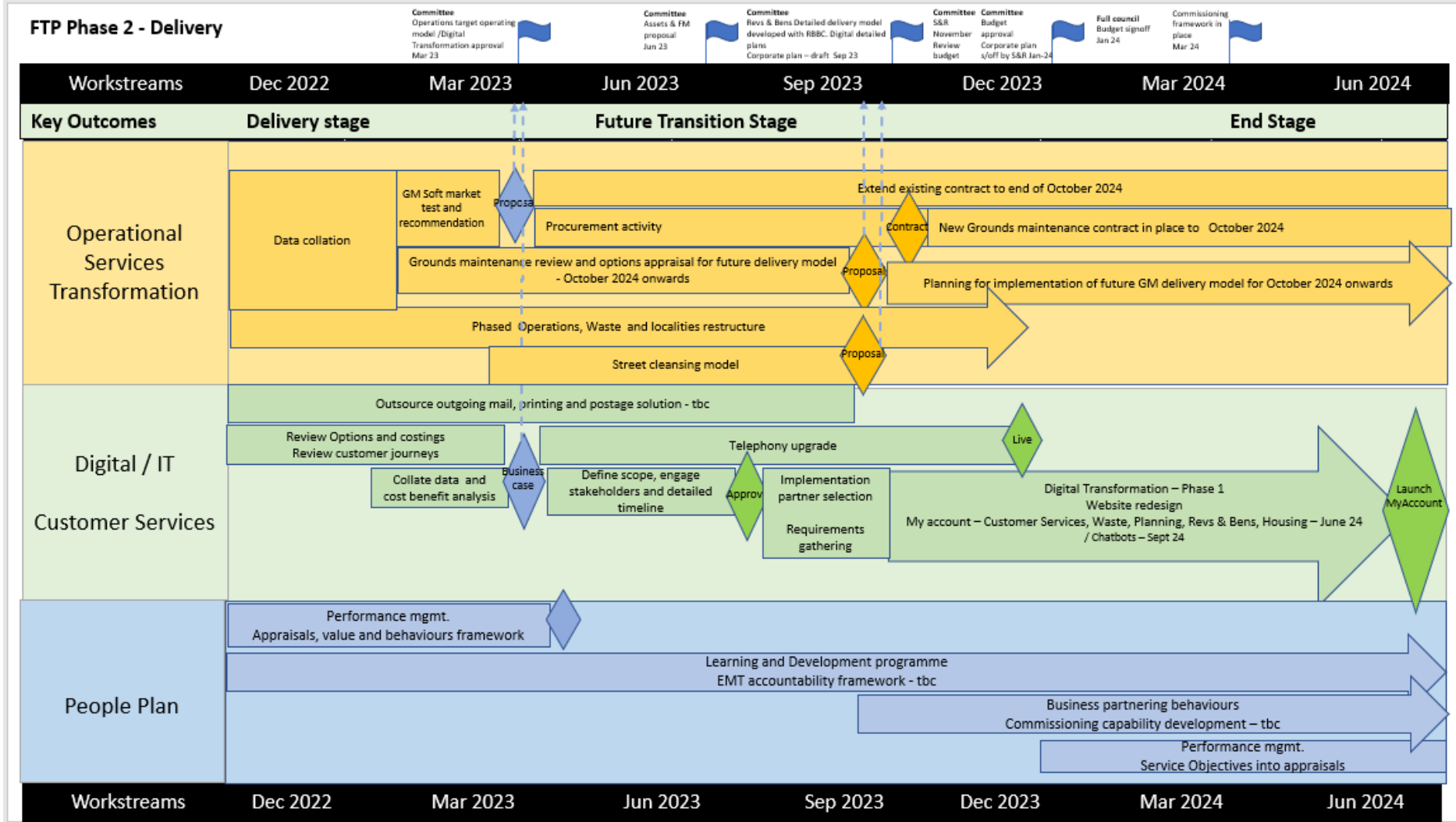
**Member engagement** All member workshop to include new members to be delivered during July on the objectives, progress and plans for the Future Tandridge programme and to provide an update on current budget and plans for 2024/25 on the agenda. Member Workshop regarding approach to Commissioning framework to be held August/September.

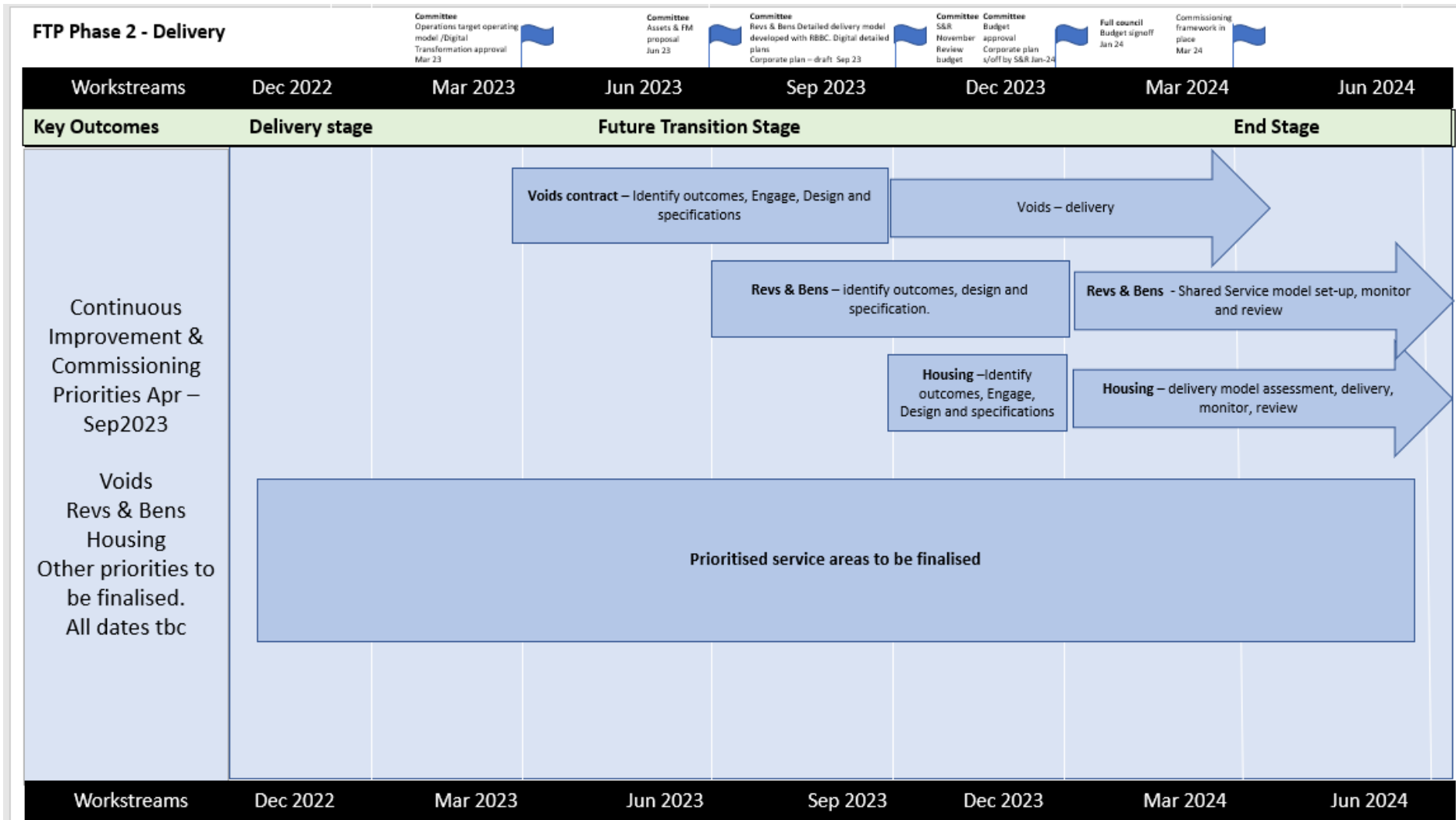
**Committee meetings** FTP updates planned to Housing, Audit and Scrutiny and Strategy and Resources committees on 20<sup>th</sup>, 27<sup>th</sup> and 29<sup>th</sup> June.

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# Appendix C – Programme Roadmap







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## Appendix D – FTP Risk Register – Resource Risks

Below is the current Risk register in use in the Future Tandridge programme including the latest mitigation action updates.

Future Tandridge Programme (FTP)			Mitigated scores									
Risk	Topic	There is a risk that.....	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Owning group
17	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	<p>PMO / Project manager to work with individual service leads to develop their service improvement delivery plans that focus on delivery of savings.</p> <p>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.</p> <p>Recruitment with SCC assistance to reach a wider audience - FTP to facilitate this approach.</p>	4	2	8	<p>Planning sessions required to work with heads of service to support with development of their plans.</p> <p>Where milestones are amber/red, focus on mitigation and steps to resolve and get delivery back on track.</p>	<p>in prog</p> <p>✓</p>	<p>13th March Agreement to resource focus areas from within the team along with EMT teams working together to deliver the savings.</p> <p>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.</p>	<p>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.</p>	Mark Hak Sanders	Programme Benefits delivery Board

## Appendix D – FTP Risk Register – Resource Risks

Future Tandrige Programme (FTP)			Mitigated scores									
Risk	Topic	There is a risk that.....	Mitigation Approach	Imp	Likelihood	Risk	Mitigating actions	Mitigating act sta	Risk progress update	Score audit trail	Own	Owning org
16	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	Each service to set out their savings delivery plan, including key milestones and dependencies, which will form the collated programme plan.	4	2	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.	Dec22 - 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.	✓				

## Appendix D – FTP Risk Register – Business case and Savings risks

Future Tandridge Programme (FTP)			Mitigated scores									
Risk	Topic	There is a risk that.....	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Owning group
12	Business case	Digital and Customer Services workstream will not deliver a business case within an acceptable return on investment	Looking at options to delivering a solution in the most cost effective way Review what an acceptable return on investment looks like.	4	3	12	Priority resident enquiries and calls have been targeted to understand existing volume and type of processes. Focussing on these areas to create the forward return on investment 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 resident interaction with the council to enable a view on the return on investment 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	Dec22 - Score reduced from 16 to 12 due to targeted data collation relating to specific customer journeys, for the 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.	✓				
			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				

## Appendix D – FTP Risk Register – Business case and Savings risks

Future Tandrige Programme (FTP)			Mitigated scores									
Risk	Topic	There is a risk that.....	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Owning group
14	Savings	Service Reviews will not deliver the budget savings identified in 23/24	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.	4	3	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.	✓	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.	June - Digital and Operational Services leads in place and scope and plans defined to deliver agreed benefits in business cases. 7th March - Digital lead joining during March. 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. October 22 - Operations SME and lead in place	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.	in prog				

## Appendix D – FTP Risk Register – People and Organisational Development risks

Future Tandrige Programme (FTP)				Mitigated scores								
Risk	Topic	There is a risk that.....	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Owning group
1	Organisation 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.	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	3	4	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.		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.	Not started	Awaiting recruitment of HR lead before the People Plan can be developed.			

Future Tandrige Programme (FTP)				Mitigated scores								
Risk	Topic	There is a risk that.....	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Owning group
18	People Plan	Organisation Development workstream will not progress as scoped and therefore Tandrige will not be ready for embedding the Transformed services and the new culture	Recruit an Organisation Development expert to create a delivery plan to embed the changes needed in behaviour to adopt the changes being introduced across the council.	3	2	6	Recruit an organisation development and change management specialist, Plan the adoption of systems throughout the organisation, looking at the future model for services and the council.	in prog	May 2023 Recruitment is in progress but is slow - looking at a FTC as well as approaching specialist agencies for this role.	New risk raised in May 2023	David Ford	TOMDG

## Appendix D – FTP Risk Register – Governance and engagement risks

Future Tandrige Programme (FTP)			Mitigated scores									
Risk	Topic	There is a risk that.....	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Owning group
10	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	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.	4	2	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					

## Appendix D – FTP Risk Register – Governance and engagement risks

Future Tandridge Programme (FTP)			Mitigated scores									
Risk	Topic	There is a risk that.....	Mitigation Approach	Imp	Likelihood	Risk	Mitigating actions	Mitigating acti stat	Risk progress update	Score audit trail	Own	Owning group
2	Governance	Members are not sufficiently engaged and/or will not support key issues which emerge from the FTP.	<p>Engage Committee Chairs in service review emerging proposals.</p> <p>Member engagement to be considered in each workstream activity in the FTP.</p> <p>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.</p>	4	2	8	<p>Early engagement with Leader &amp; S&amp;R Chair / Vice Chair to hear feedback and answer questions in preparation for committee meetings.</p> <p>Prog Team to engage Committee Chairs in service review emerging proposals and consider Member engagement in each workstream activity in the FTP.</p> <p>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.</p>	<p>✓</p> <p>✓</p> <p>✓</p>	<p>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.</p>	<p>Score reduced from 12 to 8. Regular MRG meetings taking place and member workshops scheduled to review specific updates and business cases in advance of committee meetings where feedback is received from members and questions can be answered.</p>	David Ford	EMT

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## Appendix E – Overall assessment of 23/24 savings delivery

Each Service Review and the associated savings are risk assessed and RAG rated on a monthly basis. The latest position is set out in the table, below.

		May figures	June figures			Variance
RAG status	RAG rating determination	Total March 2023 £000	Staff savings 23/24 £000	Non Staff savings 23/24 £000	Total June 23 £000	Movement March to June £000
	Savings delivered	£630	£426	£388	£814	£184
	Clear plans, realistic timescales	£34	£42	£148	£190	£156
	Some risks to delivery or detailed delivery plan still in development	£964	£289	£335	£624	(£340)
	Significant risks to delivery, delivery plan yet to be agreed	£26		£26	£26	No chg
	<b>Totals</b>	<b>£1,654</b>	<b>£757</b>	<b>£897</b>	<b>£1,654</b>	<b>£0</b>

This review shows that £814k of savings are marked as complete, i.e. all necessary actions have been taken in order to deliver the saving. A further £190k is marked as green, this relates to the Asset & FM relating to a restructured service and the continuing progress to deliver savings in Operations and Localities. Only £26k in Regulatory Services is marked as red, due to a change in the management leads at TDC and MVDC and the subsequent need for a reset on the savings proposed. This is unchanged from the previous update.

The amber element of £623k reflects the risks to delivery of savings at this early stage of the financial year. This consists of the following:

- £17k in Operations and Localities which is marked as amber whilst the recommendations of committee on the 9<sup>th</sup> of March are in the process of being fully implemented;
- £170k of Management Structure phase 2 – currently marked as amber as plans are being considered;
- £150k saving from better utilisation of the Homelessness Grant Funding, where certainty will increase over the course of the year as homelessness levels are tracked;
- £70k of Assets and FM savings, which are partly dependent on increased lettings at Oxted and Quadrant, and transfer of responsibility for maintenance to leaseholders. Although plans are in place for this, certainty will only come with additional lettings. A reserve exists to mitigate this risk;
- £50k in Revs and Bens – marked as amber as relies on working with external partners with plans to be developed in detail.
- £40k for Southern Building Control Partnership awaiting partner sign-off at time of writing.
- £127k smaller amounts across the remaining reviews; mainly linked to Phase 2 and 3 staffing savings which will become green when the consultation is launched.

Confidence in delivering the Amber savings will grow as the year progresses.

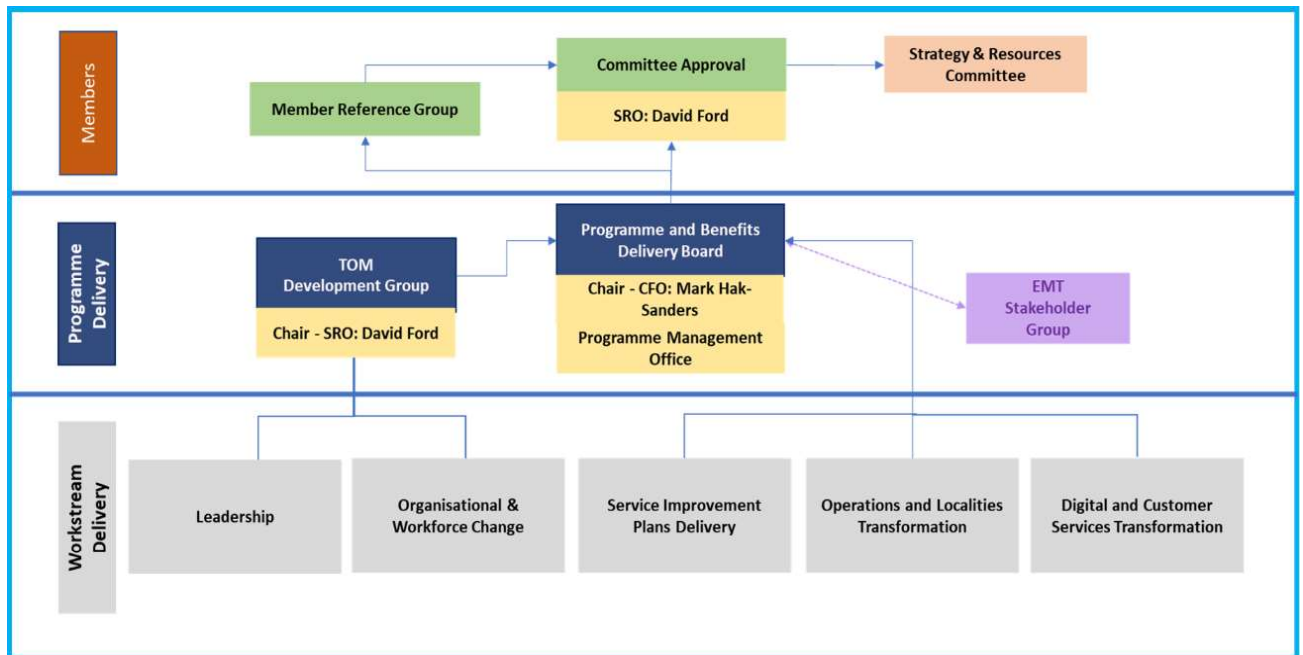
**Appendix E – Overall assessment of savings delivery**

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

FTP - SAVINGS SHEET AND TIMINGS - S&R DECEMBER 2022 updated 20/03/2023													
Service Area	Team	Staffing change (Y/N)	Proj Mgmt	Summary of saving	Savings Realisation quarter 2023/24				Delivery RAG	22/23 saving	Total Target saving (23/4/5)	2023/24 realisable saving ('000s)	2024/25 realisable saving ('000s)
					C	Q	Q	C					
Regulatory services	TPR,JD	N		Productivity Improvements	X				Red		£16,000	£16,000	
Regulatory services	TPR,JD	N		Standardisation of approach will save updating two websites and will bring better clarity and reporting of overall budget. Digital Improvements				X	Red		£15,000	£10,000	£5,000

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## Appendix F – 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 Benefits and Delivery Board, chaired by the Chief Finance Officer and supported by the Programme Management Officer. 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

In support of the Programme Delivery Board, HOS are collectively accountable (as the EMT) for overall progress, holding each other to account for delivery of the programme, communicating key messages and ensuring effective engagement with Council staff.

The Target Operating Model Development Group (TOMDG) oversees the development of the Leadership and Organisation Change workstreams and the change control process for the FTP. Once changes are formally approved, these will come under the remit of the PDB to ensure their delivery.

### 3 Workstream / Project Level

There are 5 key workstreams which support the delivery of the overall programme objectives. Due to their significance and complexity, this will include dedicated Project Boards to oversee delivery of:

- Digital and Customer Services Transformation
- Operations and Localities Transformation

Delivery of the other workstreams will be managed through the Programme Management Office with project management and other support provided where this is required to ensure delivery. Support to the Service Improvement Plans workstream will be provided on an agile basis with programme resources prioritised according to need / risk. This will be subject to ongoing review through the Programme and Benefits Delivery Board.

## Appendix F – 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"> <li>• Containing additional costs of Inflationary increases in contracts or pay;</li> <li>• Driving forward efficiencies in the provision of existing services i.e. providing services in an improved way to deliver better value for money;</li> <li>• The delivery of new or additional services; and/or</li> <li>• Optimising sources of income.</li> </ul>
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 update

### Audit & Scrutiny Committee - Tuesday 27 June 2023

Report of: Head of Policy and Communications

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Purpose: For information

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Publication status: Open

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Wards affected: All

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#### 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.

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**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

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#### Recommendation to Committee:

The committee is asked to accept and note the report.

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#### 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.

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## **Introduction and background**

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 Stage 2 response, 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. Complaints are reviewed and discussed by 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 four responses. Three respondents did not find the complaints process easy to use and none of them were 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 feeling their complaint had not been fully considered.

### Number of complaints

14. In the last quarter (1 January to 31 March 2023) there were 15 new complaints, with 3 Stage 2 complaints. Table A provides more details.

- There were 6 complaints about council tax, with 1 at State 2, related to disagreements about payments, refunds and poor service.
- There were 4 complaints for planning, with 1 at stage 2, related to delays in planning application approval and a lack of response.

**Table A: Complaints 1 January to 31 March 2023**

Service	Summary of complaint	Stage 1	Stage 2
Business rates	Disagreed with business rates decision.	✓	
Community Surveyors	Burst pipes in loft caused water damage.	✓	✓
Community Surveyors	Broken shower in property.	✓	
Community Surveyors	Mould growing in home.	✓	
Council Housing	Resident experienced antisocial behaviour from council tenant.	✓	
Council Tax	Court action letters received.		✓
Council Tax	Denied reduction of council tax.	✓	
Council Tax	Waiting for council tax refund.	✓	
Council Tax	Disagreed about council tax payments for empty property.	✓	
Council Tax	Disputed council tax owed despite moving out of property.	✓	
Council Tax	Poor customer service.		
Environmental Health	Complaint about unsafe adjoining house.	✓	

Environmental Health	Cleanliness of Oxted swimming pool.	✓	
Planning	Development not following parking restrictions imposed by Surrey County Council.		✓
Planning	Delays in planning application approval.	✓	
Planning	Delays in approving planning application.	✓	
Planning	No updates regarding delayed planning application approval.	✓	
Waste and recycling	Didn't receive assisted waste collection and food waste not collected on multiple occasions despite contacting the Council.	✓	
<b>Total</b>		<b>15</b>	<b>3</b>

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
15	0.04	0.02

### Number of complaints received annually

16. Compared to the previous year (2021-2022), there were fewer complaints than 2022-2023, as detailed in the table below. This could be partially due to the introduction of the new policy and more accurate recording of complaints. The introduction of the new waste contract in April 2021 also contributed to many of the 69 complaints in April-June 2021.

Timescale	2019/2020	2020/2021	2021/2022	2022/2023
1 April-30 June	57	38	69	18
1 July-30 September	54	47	44	24
1 October-31 December	74	47	38	30
1 January to 31 March	129	108	30	15
<b>Total</b>	<b>314</b>	<b>240</b>	<b>181</b>	<b>87</b>

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

17. In the last quarter six complaints were considered by the LGSCO. One for council tax and one for legal were not upheld, two for planning and one for housing are still under investigation. One for housing was upheld.
18. The housing complaint which was upheld related to the Council's response to concerns raised about the attitude and approach of the complainant's former housing officer and the tenant's request for that officer to be changed.
19. Following a decision of severe maladministration, the Ombudsman ordered the Council to comply with several orders to resolve the issues, one of which was to pay £1000 compensation to the resident and provide a written apology. All orders have since been complied with and the following actions and recommendations completed:
  - Refresher training for all customer facing staff will be delivered on safeguarding, vulnerability, equality and diversity and requirements for reasonable adjustments.
  - A review of the staffing structure has already been undertaken, as part of a Council wide programme, to ensure a single point of contact (dedicated housing officer) is assigned to a case. Each case is reviewed monthly by senior officers within the department to ensure necessary support and signposting measures are in place for residents and all options to resolve matters are considered.
  - As part of the new staffing structure, a Resident Engagement Manager has been appointed to oversee all aspects of tenant engagement and their focus will be on supporting those with vulnerabilities to access council services. The Council's Tenant and Leaseholder Engagement Strategy underpins this work.
  - Both the Council's Vulnerability Policy and Equality and Diversity Scheme are easily accessible on the website.
  - All staff responsible for managing complaints have attended recent training to ensure complaints are managed appropriately and in accordance with best practice and regulation.
  - To ensure best practice and meet changes to legislation, the Council's Anti-Social Behaviour process was reviewed in 2022. This process will form part of a Council wide Enforcement Policy due for completion later in 2023.
20. Following the decision, a self-referral to the Regulator for Social Housing was made. It has advised no further action is to be taken.
21. The Ombudsman is due to publish its decision at the end of June 2023 and the Council has had the opportunity to provide a written statement outlining the actions taken above in paragraph 19.

## **Compensation**

22. 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.
23. In this quarter we have made no compensation payments.
24. 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.
25. 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.
26. In the last quarter we have made one housing related compensation payment of £1000. This relates to the case that went to the Ombudsman – please see paragraphs 18-21.

## **Compliments**

27. 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**

28. 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.
29. 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.
30. 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.

31. 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.
32. 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.
33. In the last quarter (1 January-31 March 2023) we received 226 FOIs. Table B shows the breakdown of requests by service area.

**Table B: FOIs 1 January-31 March 2023**

<b>Service area</b>	<b>Number of FOIs</b>
Abandoned Vehicles	1
Asset Management	4
Benefits	5
Building Control	1
Business rates	16
Commercial Asset Management	6
Communications	3
Communities and Partnerships	4
Community Safety	4
Community Surveyors	3
Council Housing	7
Council Tax	13
Customer Services	2
Democratic Services	10
Environmental Health	13
Finance	4
Fly Tipping	1
Health and Wellbeing	1
Homelessness	5
Housing	14
Housing Development	1
HR	14
ICT	12
Land Charges	1
Legal	8
Operations Services	5
Parking	1

Parking External	1
Parks	6
Planning	23
Planning enforcement	1
Planning Policy	13
Procurement	4
Public health & funerals	8
Street Cleaning	1
Street Nameplates	1
Trees	1
Ukraine	1
Waste and recycling	7
<b>Total</b>	<b>226</b>

34. 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.

35. 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.

36. 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, apart from the compensation amount detailed.

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

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## Appointment of an Independent Person to the Audit & Scrutiny Committee

### Audit & Scrutiny Committee Tuesday, 27 June 2023

Report of: Chief Finance Officer (Section 151)

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Purpose: For recommending to Full Council

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Publication status: Open

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Wards affected: All Wards

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#### Executive summary:

To seek approval to the principal of appointing an Independent Person to the Audit & Scrutiny Committee.

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#### This report supports the Council's priority of:

Building a better Council.

**Contact officer** Barry Gilham Democratic and Electoral Services Officer  
bgilham@tandridge.gov.uk

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#### Recommendation to Committee:

That Members recommend that Full Council approves the decision to:

1. Approve the principle of co-opting an Independent Person onto the Audit & Scrutiny Committee on a non-voting basis for a period of two years, with an associated allowance of £500 per annum.
2. Change the permanent membership of the Audit & Scrutiny Committee to include an Independent Person.
3. Delegate to s151 Officer, in conjunction with the Chair and Vice Chair of the Audit & Scrutiny Committee, to undertake the recruitment process and formal appointment of the Independent Person to the Committee, including any future appointments.
4. Approve the role description, skills and competencies and person specification at Appendix A.

5. Authorise the Head of Legal and Democratic Services to make changes to the Council's Constitution to include the appointment when made.
- 

## **Reason for recommendation:**

An independent review into the effectiveness and transparency of local audit and its ability to demonstrate accountability to the public was completed in 2020. The review recommended that the governance arrangements within local authorities should be reviewed and consideration should be given to the appointment of at least one independent member, suitably qualified, to audit committees.

This report seeks to approve the principal of the appointment of an Independent Person in order to bring the Council in line with the abovementioned recommendation which would, in turn, increase the level of audit experience on the committee.

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## **Introduction and background**

1. In a report entitled "*Audit committees and scrutiny committees: working together*" dated June 2021, the Centre for Governance and Scrutiny stated that, as a matter of good practice, a way of bringing expertise into the work of Audit is through the appointment of independent lay members. This report was based on the findings and recommendations of the *Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting* by Sir Tony Redmond from September 2020.
2. Many local authorities now include independent persons on their Audit & Scrutiny Committees (or similar) as this is seen as strengthening the internal control and governance of the authority. Independent persons with appropriate skills and experience can supplement those of elected members and improve the effectiveness of such committees.

## **Independent Person Appointment**

3. This report requests that Members of the Audit & Scrutiny Committee ('the Committee') consider the appointment of an Independent Person ('IP') to the Committee. The IP would be a non-councillor with some experience in the area of audit and would have a similar status to the IP on the Council's Standards Committee. The IP would not have a vote in the same way as Councillors do at committee meetings and will be there in an advisory consultative manner only. The appointment would be for a two year period, following which the s151 Officer would undertake a recruitment process for the following two year period.
4. A suitably qualified and experienced independent member serving on the Committee may also bring specialist knowledge and insight to the workings and deliberations of the Committee which, when partnered with Councillors knowledge of working practices and procedures, will ensure:
  - An effective independent assurance of the adequacy of the risk management framework.

- Independent review of the Council's financial and non-financial performance.
  - Independent challenge to and assurance over the Authority's internal control framework and wider governance processes.
  - Oversight of the financial reporting process.
5. While operating as a member of the Committee, the IP is required to follow the Council's Constitution and Code of Conduct for elected members. They should also register any interests. It is usual for co-opted persons not to have voting rights, and this is the position being proposed here.
  6. It is recommended that recruitment be on a competitive basis following the Council's rules, including an open advertisement and interviews. A draft person specification for the role is attached as Appendix A.

### **Remuneration**

7. It is considered that the particular level of specialist knowledge and the limited pool of possible appointees supports the need for a small allowance in order to attract suitably qualified and experienced applicants and to recognise the time commitment and resources required. It is suggested that, in order to attract suitable candidates, the role should attract an allowance of £500 per annum.

### **Other options considered**

8. It is a requirement for police audit committees, English combined authorities and for local authorities in Wales to have an independent person, and it is usual practice for non-executives to be committee members in health and central government audit committees. However, the appointment of an independent person is not required for local authorities in England.
9. Therefore, the Council could decide not to appoint to this position. However, as local authorities are accountable to service users and taxpayers and there are concerns surrounding the current local authority audit process nationally, appointing an independent person would provide an additional level of scrutiny and additional expertise to the Committee with minimal cost implications.

## **Key implications**

### **Comments of the Chief Finance Officer**

Any costs associated with the recruitment, selection, appointment and subsequent disbursements to any independent panel members would need to be contained from within existing revenue service budgets.

Strengthening the Council's arrangements for internal control and governance in this way is a positive step.

### **Comments of the Head of Legal Services**

The Council's Audit & Scrutiny Committee is established further to the Local Government Act 1972 and 2000 and its purpose is to give assurance to elected

members and the public about the governance, financial reporting and performance of the Council. At present there is no statutory requirement that determine that local authorities must appoint IPs – such appointments are a requirement for Police audit committees, English combined authorities and for local authorities in Wales, and it is usual practice for non-executive to be committee members in health and central government audit committees. The appointment of an IP will assist and promote good governance and scrutiny of the Committee.

## **Equality**

Applications for the position of Independent Person to the Audit Committee will be open to all residents over the age of 18.

## **Climate change**

None

## **Appendices**

Appendix A – Audit & Scrutiny Independent Person Role Profile

## **Background papers**

1. Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting, Sir Tony Redmond, September 2020

[Local authority financial reporting and external audit: independent review - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

2. Audit committees and scrutiny committees: working together, Centre for Governance and Scrutiny, June 2021

[Audit committees and scrutiny committees: working together - Centre for Governance and Scrutiny \(cfgs.org.uk\)](http://cfgs.org.uk)

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## Appendix A

### **Role Specification for the Audit & Scrutiny Independent Person**

1. To engage fully in collective consideration of the issues before the Audit Committee, taking into account a full range of relevant factors, including legislation and supporting regulation (e.g. the Accounts & Audit Regulations 2011), professional guidance (e.g. that issued by the Chartered Institute of Public Finance and Accountancy (CIPFA)), and the advice of the Council's Section 151 Officer.
2. To participate fully in the discharge of all Audit Committee functions, as set out in the Audit Committee's terms of reference and the constitution
3. To promote the concept of proportionate, effective risk management and internal control throughout the organisation; and to champion the work of Internal Audit, External Audit and Risk Management.
4. To participate in periodic review of the overall effectiveness of the Audit Committee, and of its terms of reference.
5. To ensure that the minutes of Audit Committee meetings accurately record decisions taken.

### **Independent Person of Audit Committee – Skills and Competencies**

1. Demonstrates up to date knowledge, skill and a depth of experience in the fields of audit, accounting, risk management and performance management.
2. Operates consistently and without bias.
3. Is an effective role model; supports appropriate behaviours and challenges opinions and advice where appropriate, separating major issues from minor ones.
4. Contributes proactive, proportionate and independent thought, and also collaboration with officers to temper the opinions of Committee members.
5. Works sensitively with people inside and outside committee.
6. Listens to and balances advice.

## Audit Committee - Person Specification for Independent Person

<b>Experience</b>	Knowledge / broad range of experience in matters of an audit nature.	Essential
	Knowledge / experience of risk management, performance management and financial governance.	Essential
	Working to high behavioural standards, demonstrating honesty, probity and the highest level of integrity in conduct.	Essential
	Experience gained working in a large, or public sector, organisation.	Desirable
	Serving on a committee.	Desirable
<b>Skills</b>	Ability to weigh / sort complex evidence and reach rational conclusions, incorporating appropriate advice.	Essential
	Ability to be objective, independent and impartial.	Essential
	Ability to work in a group.	Essential
	Ability to make reasoned decisions.	Essential
	Strong strategic awareness and ability to identify emerging external factors that may impact on strategy, implementation of plans, or reputation with key stakeholders.	Essential
	A good communicator with excellent interpersonal skills, able to both empower and challenge supportively.	Essential
<b>Knowledge</b>	Knowledge of the Tandridge District and its communities.	Desirable
	Knowledge of the Council's strategic priorities and objectives, as set out in the Corporate Plan.	Desirable
	Understanding of the complexity of issues surrounding audit and risk management in local government.	Desirable
	Understanding of committee procedures.	Desirable
<b>Other</b>	Must not be a serving local government officer or councillor.	Essential
	Must have no personal, legal or contractual relationship with Tandridge District Council (including employees or members or former staff), or any other relationship / activity which might represent a conflict of interest.	Essential
	Able and willing to devote the required time to the role, including attending training if necessary.	Essential





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