

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 8th July 2021 at 7.30pm.

PRESENT: Councillors Langton (Chair), Allen (Vice-Chair), Bloore, Crane, Davies, Dennis, Flower, Gray, O'Driscoll and C.White

ALSO PRESENT: Councillors N.White and Gillman

77. MINUTES OF THE MEETING HELD ON THE 30TH MARCH 2021

The minutes of the meeting were confirmed and signed by the Chair.

78. MINUTES OF THE MEETING HELD ON THE 27TH MAY 2021

The minutes of the meeting were confirmed and signed by the Chair.

79. INTERNAL AUDIT PROGRESS REPORT (2020/21)

Natalie Jerams presented a report which provided an overview of:

- (i) audit activity against assurance work completed in accordance with the approved audit plan for 2020/21; and
- (ii) outstanding management actions.

The Chief Finance Officer also presented a short status report of the £920k anomaly and Grant Thornton work.

The subsequent discussion included reference to the following issues:

- It was noted that the Council was actively developing a full disaster recovery plan alongside the 2019/20 audit. The Council already had a business continuity plan in place. A follow up audit review had also been completed to report on the outstanding actions relating to disaster recovery which was yet to be concluded;
- Clarity was provided by SIAP in respect of assurance terminology provided within the internal audit report;
- It was confirmed that the Grant Thornton will report to the Committee following the completion of their investigation. The Chair explained a meeting had been set up to agree the respective remits of Strategy & Resources and Audit & Scrutiny Committees in addressing the eventual GT findings and asked that an early meeting of Members with GT be arranged;

- It was confirmed that the Planning Advisory Service report has been received and Members or the Committee would receive an update on its contents. The report will be supplied to SIAP to assess. Development Management had already been reintroduced into the 2021/22 audit;
- A programme and project management review would take place during the current audit which would cover in part the Customer First process;
- An overview of the audit process and how the audit plan was agreed by the Committee and subsequently managed during the course of the year was provided in response to a question regarding whether Councillors were consulted before an audit plan was varied or amended. As a result of the discussion it was agreed that SIAP would bring a paper to a future Committee that would outline the standards that SIAP had to comply with in respect of internal audit planning and the role that the Committee has in that process. Further consideration would be given by the Chair and Vice Chair in respect of how revisions to due dates could be reviewed by the Committee.
- Project management was noted by the Committee as being a recurring issue with ongoing Council projects and that there was a need to continue to improve this aspect. The Committee would pursue this issue.
- Questions were raised in respect of the IT Assets Register and missing IT equipment to which it was agreed that Officers would provide responses to after the meeting.

R E S O L V E D – that the report be noted.

80. COUNTER FRAUD - COUNCIL TAX FRAUD REPORT

The Committee considered a report which provided a detailed review of the Council Tax fraud discovered in December 2019. The report included details of the actions taken and controls put in place to reduce the risk of a similar fraud occurring in the future.

The subsequent discussion included reference to the following issues:

- That all controls and measures that had been introduced to reduce the risk of fraud had been implemented across all relevant areas of the Council. Such measures included the requirement for supporting audit trails across all areas;
- Further explanation was provided in respect of the controls and measures that had been introduced to reduce the risk of fraud;
- Questions were raised by the Committee in respect of the cost of the fraud to the Council and whether management failures had allowed the fraud to take place and, if so, whether there had been any accountability of these failures. It was noted that the sophisticated nature of the fraud, including creation of evidence for management to check, had meant that the fraud had remained undetected. However, it was acknowledged that anti-fraud controls were not working properly or had not been in place at the time and these issues had now been rectified;
- Advice would be sought from the Legal Department in respect of whether the case papers from the criminal investigation could be circulated;

- It was noted that the an assessment of fraud and risk would be reported to the Committee twice a year and that a further review of the Anti-Fraud Policy may be require in light of the findings of this investigation. It was also noted that the 2021/22 internal audit would include a review of the Anti-Fraud and Corruption Policy which would be brought to the Committee.

It was requested that the TDC Anti-Fraud Policy be circulated.

RESOLVED – that the report be noted.

81. EXTERNAL AUDIT PLAN UPDATE

Michelle Hopton of Deloitte presented an update on the current status of the external audit for 2020/21

It was acknowledged that the 2020 audit was still ongoing and it was the intention to have this signed off as soon as possible. Members had been sent the notes of a Wash-Up meeting that had been held between Deloitte and the Finance Team to address the issues identified during the 2019/20 audit process. The current plan had not changed since it was last presented to the Committee in March 2021. The Grant Thornton report was mentioned as a significant change since the last committee meeting. This report would be considered when completed to see if it impacts the value for money opinion.

It was noted that the audit for 2021 would be starting on 12 July 2021. A detailed plan for the audit had been shared with the Finance team. The Council and Deloitte were working together to achieve the September signing deadline. In response to a question concerning whether the previous issue of a lack of man power and resources allocated to the audit would be resolved for current audit, Ms Hopton confirmed that Deloitte had a fully resourced team and plan with built in contingencies should any issues arise. The Chief Finance Officer stated that there were still capacity constraints within the Council which would not be resolved until the start of the transformation phase of the joint working arrangements with Surrey County Council. It was noted that two additional team members would be drafted in from County to cover the Summer holiday period.

When asked when the 2021 audit would be completed Ms Hopton stated that the national deadline for completion is the end of September and a meeting of the Committee had been arranged to receive the external audit report. The Chief Finance Officer also stated that Deloitte intended to have the 2019/20 accounts signed off by 31 July 2021. It was noted that the Grant Thornton report would not impact the signing off of the 2019/20 accounts.

The Committee asked for clarification as to which Officers and/or Councillors had the power to sign off accounts. It was thought that the current Chair of the Committee could sign the accounts but clarification would be sought in advance of the sign off at the end of July.

RESOLVED – that the report be noted.

82. COMPLAINTS UPDATE

A report was presented about the Council's approach to managing complaints and to update on the Complaints Policy which had recently been revised to make it simpler and more effective. The complaints process was now split into three stages:

Stage 1 – Resolution

Stage 2 – Review

Stage 3 – Local Government and Social Care Ombudsman

It was noted that additional complaints handling training from the Local Government Ombudsman had also been provided to Officers. In addition, the complaints process was now administered through a new software system which would allow for improved scrutiny. In the future, quarterly complaints updates would be submitted to Committee, with an annual report each July.

The Committee noted that complaints often exposed a lack of resources and it appeared that Planning (including the pre-application service) and Planning Enforcement may have such an issue and that collaboration with other councils may have to be considered if the Council was unable to meet the required levels of service. The Head of Corporate Resources acknowledged that resources were stretched and there were high workloads across the Council and there were no financial resources to remedy this issue. The delivery and prioritisation of services would be reviewed over the course of the year.

A concern was raised in respect of Customer Services etiquette when dealing with complaints. It was noted that the LGO training had helped with how to deal with complaints when received and there was an intention to expand this training to more customer facing officers. It was also requested that Members direct any complaints to the Council so they can be investigated correctly.

RESOLVED – that the report be noted.

83. POLICY COMMITTEES' QUARTER 4 20/21 EXCEPTION PERFORMANCE REPORT

An exception performance report was presented which set out the performance and risk headlines from the performance and risk reports which had already been reported to the four main policy committees earlier in the committee cycle. The Committees views were sought in respect of presentation of the report and the criteria for highlighting a report headline as a risk.

The Chair underlined that it is an important part of the A & S remit to review exceptions having significant consequences and to send them back to their respective Committee if the actions already in place are not having the required effect.

The subsequent discussion included reference to the following issues:

- It was requested that the report include a reference to the steps that each policy committee decided to take in response to a risk being identified. If such actions had not yet been included in the policy committee minutes, then this could be provided by way of a verbal update to Committee;

- It was noted that items would be included in the report if targets had been missed for two consecutive quarters. The item will stay on the exception report and will only be removed once the target has been met;
- It was requested that the report quantify the financial exposure for each of the missed targets to assist the Committee in focusing on the issues which have the greatest economic risk or impact to the Council;
- It was noted that the Committee should be made aware of high risk issues as soon as possible to allow steps to be taken to avoid reputational damage to the Council;
- A concern was raised in respect of the target of the percentage of establishments with a rating of 3 or better under the food hygiene rating scheme being missed by 10%. This issue was mainly caused by the current pandemic and not being able to carry out face to face site visits;
- It was confirmed that measures had been put in place to address the issue of illegal activities taking place in public toilets and further detail was contained in the report to Community Services;
- In response to a question raised in respect of the risk of cyber-attacks, it was confirmed that the cyber audit had been completed and this would start to be actioned over the coming weeks and would form part of the next audit update to Committee;
- It was suggested that if the Committee had questions relating to specific targets not being met, these should be raised once the agenda is published so the report author could collate answers in advance of the meeting. Future Audit & Scrutiny meetings will focus more on reviewing specific exceptions.

RESOLVED – that the policy committees' performance and risk exceptions for Quarter 4 2020/21 be noted.

84. VERBAL UPDATE FROM SURREY POLICE ON CRIME LEVELS AND ANTI-SOCIAL BEHAVIOUR IN THE TANDRIDGE DISTRICT

The Chair and Vice Chair had requested a statement from Surrey Police relating to the current crime levels in the District. A statement from Borough Commander Karen Hughes was read out by the Head of Corporate Resources.

The subsequent discussion included reference to the following issues:

- The introduction of a dedicated antisocial behaviour car and the impact of the dispersal order in Oxted was welcomed;
- It was the view of the Committee that residents would welcome an increase in visibility of the Police in the District both on patrol and in respect of traffic policing;

- Cllr Gillman mentioned that he had been appointed to the Police Commissioners Committee. The PCC would be meeting with all Local Council representatives over the coming weeks to prepare for her time in office. Cllr Gillman was happy for any policing issues that the Council had to be directed to him to raise at the PCC meeting. In response to this offer, the issues of catalytic convertor theft and instances of assault/violent crime in Coldstream Road and Oxted Morrisons Car Park were asked to be referred to the PCC;
- That high level Police performance metrics be requested by the Committee from Surrey Police for consideration at the next Committee;
- Local speed watch groups were suggested by the Committee as a possible method of attempting to tackle speeding in the District. It was noted that Surrey Police are happy to support such groups.

Members were reminded of the Police workshop on 20 July on Anti-Social Behaviour.

Rising 10.30 pm