

Annual Governance Statement

Year ending 31 March 2021

Tandridge District Council

1. Purpose

Tandridge District Council is responsible for ensuring a sound system of governance, making sure its business is conducted in accordance with the law and proper standards, public money is safeguarded, properly accounted for and used, and it exercises its functions with regard to a combination of economy efficiency and effectiveness.

This statement sets out the Council's governance arrangements, describing actions taken in 2020-2021 to improve governance and identifying further actions which the Council will take in the year 2021-2022. In line with guidance issued by CIPFA in February 2021 "Application of the Good Governance Framework 2020-2021" this statement includes specific commentary around the impacts of the coronavirus pandemic on the Council's governance and financial arrangements.

The Financial Management Code (FM Code) sets out the principles by which authorities should be guided in managing their finances. It is up to each authority to determine the extent to which it complies with the FM Code and to identify what action it may wish to take to better meet the standards that the FM Code sets out.

2021-2022 will be the first full compliance year for the FM Code. Work on implementation of the code will be undertaken as part of the Tandridge Finance Transformation (TFT) Programme which is integral to the new Joint Working Agreement with the County. This review will consider how the Council's existing processes will meet the new FM code standards during 2021-2022.

The statement and attached action plan describe the actions taken in 2020-2021 to deliver corporate improvement, and the Council's response to Covid-19 which created additional significant challenges. It also includes the Council's annual internal audit opinion, which for this year is 'Limited'. This means significant gaps and areas for improvement have been identified. Clearly this result falls short of the standards the Council sets for itself but does reflect the challenges it has faced over the last year. The following sections of this statement and the action plan, demonstrate how the Council is addressing its areas for improvement going forward.

The statement meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(b), which requires all relevant bodies to prepare an Annual Governance Statement alongside the statutory annual statement of accounts. The previous Statement was informed by a self-assessment which the Council carried out in September 2020 against the CIPFA / SOLACE Framework:

Delivering good governance in local government (2016).¹ Given that the assessment was comprehensive, the Statement agreed in November 2020, and that the associated action plan is updated in this report, a further self-assessment is not necessary at this time. A similar process will be undertaken as the new Programme Management Officer begins updating the draft Code of Corporate Governance for the Council in 2021-2022.

The Head of Legal Services, in her role as the Council’s Monitoring Officer, has been closely involved in the preparation, review and publication of this statement.

2. The Council and how it operates

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

Following elections in May / June 2021 the composition of the Council is:

Independents and OLRG Alliance	16
Conservative	14
Liberal Democrat	9
Independent Group	3

The Council is in No Overall Control, with a minority Independents and OLRG Alliance administration.

Before the May 2021 elections the composition of the Council was as follows:

Conservative	14
Independents and OLRG Alliance	13
Liberal Democrat	9
Independent Group	3

During 2020-2021 the Council had the following committees:

- Community Services
- Housing
- Licensing
- Overview and Scrutiny / Audit and Scrutiny
- Planning
- Planning Policy
- Standards
- Strategy and Resources

¹ Tandridge District Council (2020) *Appendix B - Tandridge DC self-assessment against the CIPFA/ SOLACE framework, Delivering good governance in local government*, Audit & Scrutiny Committee 29th September. Online available: <https://tandridge.moderngov.co.uk/documents/s1545/Appendix%20B%20for%20Annual%20Governance%20Statement.pdf> [Last accessed 13/08/2021].

The committees are all politically balanced so there is cross-party involvement in decision-making. The committees are responsible for policy formulation and this is reflected in their terms of reference.

During 2020-2021 the Council spent £62m in running the services for which it is responsible, of which £14m was spent within the Housing Revenue Account. There was also £11m invested in a range of capital projects and programmes. These figures match those within the Statement of Account and Outturn. See Section 8 for more information on the Council's financial performance.

The Council is responsible for the administration of the election process at national, county, district and parish / village council level. Elections were not held in 2020-2021 due to the Coronavirus pandemic. However, they did take place in May 2021 which led to an intake of new Councillors. A comprehensive induction and training programme for new and returning Councillors is in progress and this will continue to be built upon throughout a Councillor's term, with various training sessions to ensure they are fully equipped to fulfil their roles. Democratic Services are involved in this and welcome the opportunity to provide targeted training for Councillors throughout the year.

During the period 2020-2021 the Acting Head of Paid Service (Chief Executive) was Elaine Jackson to October 2020, who was replaced by Jackie King (November 2020 – June 2021). Following an external recruitment process, we welcomed a new Chief Executive, David Ford, in June 2021.

The Chief Executive is the Council's chief policy adviser, with overall corporate management and operational responsibility. Along with the Executive Leadership Team (ELT), his role is to implement the plans and policies which support the strategic direction of the Council as set by Councillors. He leads the ELT, which includes:

- Executive Head of Corporate Resources
- Executive Head of Communities
- Chief Financial Officer & Section 151 Officer
- Chief Planning Officer
- Head of Legal Services & Monitoring Officer

The roles of the Chief Executive (as Head of Paid Service), the Section 151 Officer and the Monitoring Officer are defined within Section 4 of the Council's Constitution.² The Executive Role of Councillors is defined within Section 3 of the Council's Constitution.

Officers manage the day-to-day business of the Council, implementing decisions taken through committees, sub-committees and Full Council. New arrangements were put in place during 2020-2021 to ensure appropriate departmental, project and programme governance (see Section 5).

² Tandridge District Council (2021) *Tandridge District Council Constitution – August 2021*. Online available: <https://www.tandridge.gov.uk/Portals/0/Documents/Your-council/Councillors-and-committees/How-the-Council-is-run/Constitution.pdf?ver=2021-08-09-155655-133> [Last accessed 13/08/2021].

During the period 2020-2021, the Council's "Strategic Plan: 2020/2021 – 2023/2024" was agreed.³ The plan sets out the Council's key priorities over the coming period (see Section 12 below).

The Council's annual revenue and capital budgets are considered and approved by Full Council in February each year. This sets the level of council tax and capital investment for the forthcoming financial year.

3. The Council's governance framework – how we ensure arrangements are effective

The Council's Constitution sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. Some of these procedures are required by law, while others are for the Council to determine. It also sets out decisions reserved to committees and those delegated to Officers. The Constitution includes:

- Contract standing orders and delegations and approval levels for financial matters.
- Councillors' Code of Conduct.
- Protocols for planning and the Councillor/ Officer Code of Conduct⁴

There is also an action in the plan below to consider an ongoing process to review the constitution, potentially supported by a Councillor led Constitution Working Group.

Our committees each have distinct terms of reference. Meetings are held in public, apart from agenda items that are exempt under legislative guidance,⁵ and members of the public may ask questions.

Our committee meetings are webcast and publicised on the Council's website. Zoom and Microsoft Teams were promptly rolled out in May 2020 to allow Officers and Councillors to communicate effectively. Council and Committee Meetings continued online until the 7 May 2021. The setting up of remote meetings was facilitated by the Council's IT and Democratic Services. This included Full Council in May 2020 to agree a series of changes to the Constitution and standing orders to allow committees to operate remotely.

While meetings were held remotely, the proceedings were livestreamed for public viewing via a link on the Council's website.

³ Tandridge District Council (2020) *Strategic Plan 2020/2021 – 2023/2024 (v1.0 July 2020)*. Online available: https://www.tandridge.gov.uk/Portals/0/Documents/Your-council/Strategic%20Plan/Strategic_plan%20v1.0%20July%202020.pdf?ver=2020-09-04-105655-203 [Last accessed 13/08/2021].

⁴ At the time of writing, an updated Code of Conduct was being reviewed by the Executive Leadership Team.

⁵ For confidentiality of proceedings, see Tandridge District Council (2021) *Tandridge District Council Constitution*, p. 13 'No. 16'. Online available: <https://www.tandridge.gov.uk/Portals/0/Documents/Your-council/Councillors-and-committees/How-the-Council-is-run/Constitution.pdf?ver=2021-08-09-155655-133> [Last accessed 17/09/2021].

There are internal controls in place to ensure the Council is operating effectively and that priorities/objectives are being achieved. At a corporate level, internal controls relate to our Internal Audit service (Section 10), performance and risk framework (Section 5) and Corporate Improvement Board.

Internal Audit and the Corporate Improvement Board identify the principal risks to the Council meeting its key priorities and actions to enhance governance. Resultant actions are corporately monitored via two action trackers: the internal audit management action tracker, and the Corporate Improvement Plan.

The Corporate Improvement Plan is in the process of being reviewed as responsibility has been transferred from external consultants to an internal Officer. The aims of the review are to align the plan with the internal audit tracker, reflect the Council's current priorities and incorporate actions from this statement.

This will serve to enhance the effectiveness of monitoring and reporting and help underpin the robustness of the statements made within the Annual Governance Statement. It is also in place to provide a framework for the annual assessment of the effectiveness of the governance arrangements operating within the Council. This includes robust challenge by the Council's Audit and Scrutiny Committee, Statutory Officers the Chief Executive, Monitoring Officer, Chief Financial Officer and the Executive Leadership Team.

The Council is required to appoint a **Monitoring Officer** (see section 9 below) to monitor and review the operation of the Constitution and to ensure its aims and principles are achieved. The Monitoring Officer keeps the Constitution under continual review, having delegated powers to make amendments arising from organisational changes and legal requirements and to correct errors. Other amendments are recommended by the Strategy and Resources Committee for decision by Full Council.

The Chief Executive, Head of Legal and Chief Financial Officer meet weekly as the statutory Officers to discuss services delivery improvements. Such improvements are shared with the ELT at their bi-monthly meetings, and the Corporate Improvement Board (Section 11). Any actions to be pursued will be added to the Corporate Improvement Plan. Each officer carries a statutory responsibility to report issues to the Council. The monitoring officer produces an annual report to the Standards Committee, the CFO presents regular budget monitoring reports, and the Chief Executive will compose exception reports to Strategy & Resources Committee as necessary. As such, the posts remain pivotal to the Council's good governance. During the initial stages of the pandemic this group met also weekly to discuss any emergency decision making.

During 2020-2021 the **Audit and Scrutiny Committee**⁶ had responsibility for the review and scrutiny of the decisions and performance of the Council and audit arrangements. The Committee met five times and at its meetings considered:

- Changes to its terms of reference.
- External auditing of the Council's accounts.
- Internal audit plans, progress and charter.
- The Annual Governance Statement.
- The Council's finance improvement plan.
- Council's whistleblowing policy.
- Performance and risks of the policy committees.
- The Corporate Improvement Plan.
- Community safety.
- Anti-Fraud Bribery and Corruption Policy.

The Council does not currently have an adopted code of corporate governance to set out all the elements of its governance systems. Audit & Scrutiny Committee reviewed the draft in January 2021. Updating and completing this will be a priority for 2021-2022. In addition to those set out above, the following elements have been identified as being in place for the year 2020-2021:

- Internal and external audit, implementation of recommendations.
- Compliance with laws, regulations, internal policies and procedures.
- Medium Term Financial Strategy.
- Production of a statement of accounts.
- Complaints policy.
- Local Government Ombudsman reports.
- HR policies, procedures, conditions of service and Officer Code of Conduct.
- Equality and diversity scheme.
- Budgetary control.
- Procurement procedures and standard terms of contract.
- Whistleblowing and other countering fraud and bribery arrangements.
- Performance appraisal.
- Councillor and Officer induction and development programmes.
- Audit and Scrutiny Committee (acting as the local Crime and Disorder Committee).

Under the provisions of the Coronavirus Act 2020, temporary standing orders for remote meeting procedure rules were in place from May 2020 to 7 May 2021, and all Committee Meetings were held remotely during that period using video conferencing to run and livestream proceedings. The Council's annual

⁶ This committee was previously known as the Overview and Scrutiny Committee and its terms of reference were changed on 22/10/20 when Council ratified the relevant recommendation from the 30/07/20 Overview and Scrutiny meeting. The aim of the switch was to enable the committee to be more explicit regarding its 'overall responsibility for audit and governance frameworks'.

meeting in 2020 was cancelled, with existing member appointments remaining in place until the annual meeting in May 2021.

The Council's **contract standing orders** (part D of the constitution, updated in January 2021) require that all contracts over £100,000 include consideration of wider social / wellbeing, environmental and economic benefits, in line with the Social Value Act 2012. A process of annual review of the standing orders has now been instigated. Leaving the European Union was largely overshadowed by the Covid-19 crisis. While the government outlined significant changes to public procurement regulations in the Queen's speech, these are unlikely to be enacted until 2022. The only substantive change was to replace OJEU (Official Journal of the European Union) notices with 'Find a Tender Service' (FaTS) notices.

The Council's **complaints** processes were revised by the Communications and Customer Experience Team in 2019-2020. Complaint responses and times are now reviewed on a fortnightly basis by ELT and SLT. The number of complaints and FOIs (response times) are now reported quarterly to the Audit and Scrutiny Committee.

If a complaint about an Officer was upheld following investigation, the Council would take action in line with the Disciplinary Policy, which forms part of the conditions of service. Compliance with mandatory staff training is monitored by the HR Team. The Council supports Officers health and wellbeing through occupational health services and the Employee Assistance Programme.

The Council fully supports the requirements to ensure that both Councillors and Officers have the necessary skill sets to fulfil their strategic role in the organisation. The Council continues to invest in development for Officers.

The draft Annual Governance Statement has been considered by the Council's Senior Management Team (ELT and SLT) assurances have been provided by them that any actions on the Action Plan will be completed and any further weaknesses will be identified and addressed. The Programme Management Officer will seek to enhance the arrangements in the coming year.

The Council recognises that effective governance requires both that appropriate processes are in place, and that there is an organisational culture which supports consistent understanding of and compliance with the principles and processes of good governance.

Through the development of values and behaviours for Councillors and Officers, and further training, the Council will continue to develop the organisational culture with this aim during 2021-2022.

4. Partnership governance

The Council continues to seek new partnership opportunities to support efficiency and effectiveness.

The Council has entered partnerships for the delivery of the following services in the District:

- **Environmental Health** – Mole Valley District Council and Tandridge District Council have operated a shared Environmental Health and Licensing service to protect residents and support businesses since April 2017. Mole Valley operates as the host authority for the delivery of the service. Each Council retains its licensing and regulatory committees and sub-committees. The Environmental Health Partnership is run through an inter-authority agreement which includes details of the Principles of the Shared Service, governance and monitoring. The Joint Partnership Board meets quarterly.
- **Building Control** – the Council hosts the Southern Building Control service, a partnership which includes Reigate and Banstead Borough Council and Mole Valley District Council. The partnership is governed by an inter-authority agreement, which is currently under review. A board, on which the councils are represented by Councillors and Officers, meets quarterly to review income, performance and risk.
- **Internal Audit** - the Southern Internal Audit Partnership has a key Stakeholder Board, in accordance with the Partnership Agreement. The Council's Chief Financial Officer sits on this Board, which exists to discuss all areas of performance, professional practice, and sharing best practice.
- **Finance function** – in March 2021, the Strategy & Resources Committee approved the Joint Working Agreement with Surrey County Council for Tandridge's Finance Function. This was to address the issues of recruitment of a new S151 Officer and enhancing the resilience of the Finance team. At the heart of this Joint Agreement is the Tandridge Finance Transformation Programme (TFT). The arrangement is comprised of three phases concluded through a gateway process. Phase 1 was due diligence and completed in June, phase 2 is the delivery of the TFT due to conclude in April 2022 and phase 3 is a key gateway which will determine future options.

The Crime and Disorder Reduction Act 1998 and the Anti-Social Behaviour, Crime and Policing Act 2014 requires "responsible authorities" to work together to reduce crime and disorder in their area. The Council was part of the East Surrey Community Safety Partnership until 2020. This partnership was formed of four councils – Epsom and Ewell, Mole Valley, Reigate and Banstead and Tandridge. It was mutually decided to separate and form district/borough specific community safety partnership board.

Tandridge Community Safety Partnership Board was formally established in January 2021 and meets quarterly. The board is attended by partner agencies including Surrey Police, Surrey Fire and Rescue, Police and Crime Commissioners office, Community Safety – Surrey County Council, Tandridge Voluntary Action, Surrey Heartlands CCG, a county Councillor and a Tandridge District Councillor. Priorities and an action plan have been agreed.

The Council chairs and administers the Tandridge Health and Wellbeing Board. The purpose of the Board is to provide a collaborative approach to improving the health and wellbeing of residents and reducing health inequalities across Tandridge. Following the April 2021 meeting the Board reviewed its terms of reference, objectives and membership. The Board looks to understand what residents would like and the key challenges for health, education and the local authority.

The Board's objectives include monitoring and developing provision of local health and wellbeing services, escalating significant gaps in service and drawing out the local links, to the Surrey Health and Wellbeing Board and the Council's own strategies. It also assesses, on an annual basis, the applications and agrees funding for local health and wellbeing projects via the Tandridge Together Lottery and the Tandridge Small Grants Fund.

The Council made a commitment in February 2020 to establish its own Climate Change Action Plan, with targets to cut its environmental impact and steps to become carbon neutral by 2030.⁷ The Council approved its action plan in November 2020,⁸ and has since worked hard to progress key priority actions, despite limited resources. For example, the Council has committed to build net-zero (operational) new homes, to provide efficient heating systems in Council homes, report on its emissions, and scope installing electric vehicle charging points.

It is a core corporate priority for the Council. Officers work closely with the county council and the other Surrey districts and boroughs on climate change related issues, via an Officers group. The group explores opportunities to share data, resources and knowledge on specific climate change topics. The group is hosted by Surrey County Council and meets monthly.

5. Performance and risk management and reporting

The Council utilises a corporate risk management framework to record identified risks and the mitigation that will be taken to manage them. Risks are regularly reviewed and there is an escalation process for the most significant risks, which ensures that senior management and Councillors are aware of those risks that pose the most serious threat to the Council and how they are being managed. All reports are published on the Council's website under each committee.

The performance framework entails the council monitoring a set of performance indicators across all its service areas. Service managers upload their performance data monthly/quarterly to a central repository, where the

⁷ Tandridge District Council (2020) *Council Agenda 13th February 2020*, page 5. Online available: <https://tandridge.moderngov.co.uk/Data/Full%20Council/202002131930/Agenda/Council%20Book%2013%20Feb%202020.pdf> [Last accessed 13/08/2021].

⁸ Tandridge District Council (2020) Agenda and minutes for Strategy & Resources Committee 24th Nov 2020, see S191 "Climate Change Action Plan Report". Online available: <https://tandridge.moderngov.co.uk/ieListDocuments.aspx?CIId=137&MIId=906&Ver=4> [Last accessed 13/08/2021].

data is transferred to a central database from which performance charts can be generated. As part of their data submission, managers also provide short written commentaries to explain the figures in relation to set targets. Managers are asked to propose any changes to their indicators and/or targets annually during Quarter 3.

During 2020-2021, the policy committees (Planning Policy, Strategy and Resources, Community Services and Housing) received individual reports providing updates on the delivery of key service performance indicators and risks relevant to their committee. Each committee reviewed their standard of set key performance indicators in the Quarter 3 reports. Budget monitoring reports were also brought to the policy committees.

In 2020-2021, departmental leadership team meetings started to meet again with a clear remit to regularly monitor and manage performance, budgets, risk and project/programme monitoring. The ELT receive monthly performance and corporate risk reports. As the performance and risk framework becomes more embedded in 2021-2022 the Chief Executive will hold each ELT member to account to deliver service performance to an acceptable standard. Furthermore, in 2021-2022 fraud risk assessments will be carried out and fraud and irregularity audited by SIAP.

Key performance indicators are benchmarked quarterly across Surrey districts and boroughs and shared with Surrey Chief Executives quarterly.

The Council conducts a biannual Residents' Survey, most recently in July and August 2021.⁹ The findings of the previous survey, considered by Overview and Scrutiny Committee in November 2019, show 84% of respondents are satisfied with the area as a place to live and 59% with the way the Council runs things. 35% agree the Council provides value for money, while 34% neither agree nor disagree. 69% think the Council keeps them well informed and 56% trust the Council.

6. Managing the risk of fraud, bribery and corruption

The Council is committed to the proper accountability of public funds. Its **Anti-Fraud Strategy Statement** is included within the Constitution (Part F) and includes:

- The Council's expectations of Councillors and its employees.
- Definitions and relevant examples of fraud.
- The approach that should be taken to reporting and concerns or suspicions relating to fraudulent or corrupt activity (including reference to the confidential anti-fraud and corruption telephone line, operated in accordance with the Public Interest and Disclosure Act 1998).

⁹ Tandridge District Council (2019) Residents' Survey 2019 Results, Overview & Scrutiny Committee 5th November. Online available: <https://tandridge.moderngov.co.uk/Data/Overview%20&%20Scrutiny%20Committee/201911051930/Agenda/O+S%20Cttee%20agenda%2005.11.19.pdf> [Last accessed 13/08/21].

The Council has additionally adopted a Housing Benefit/ Council Tax Support anti-fraud policy (2016), and Anti-Money Laundering guidelines (2017).

The Council has an Anti-fraud and Anti-Corruption Policy in place which sets out its arrangements for dealing with fraud and corruption. This was revised and updated in March 2021. The policy now strengthens and improve the Council's overall arrangements for the prevention, detection and investigation of fraud, bribery and corruption. The policy also provides guidance on how any individual can report any suspected fraudulent or corrupt activity.

The Council's Whistleblowing Policy, contained within Officers' conditions of service, was reviewed and updated in January 2021. The policy covers any malpractice or wrongdoing by any Councillor or employee of the Council, as well as any contractor, supplier, consultant or partner of the Council in the course of their work. The Monitoring Officer has a duty to write an annual report to update Councillors, report will be brought to Audit & Scrutiny Committee March 2022.

The Council's standard form of contract includes provisions to ensure compliance with the Bribery Act 2020. The Council provides an e-learning course on Fraud awareness, and the Internal Audit Plan for 2021/22 includes Fraud & Irregularity.

The **Officers' Code of Conduct** (2015, contained within Conditions of Service) states Officers may not accept money, loans or significant personal gifts from contactors and outside suppliers, residents or tenants or any other professional business contact.

Hospitality may only be accepted where council representation is required, subject to Chief Officer / Head of Service approval. Officers are also required to register any personal or financial interest which may result in a conflict. The Executive Team are in the process of reviewing the code, which once agreed will be shared with Officers.

7. Information governance and Freedom of Information

Information governance is the overall process of analysing, evaluating, assessing and mitigating the impact of risks to the Council's information and information systems. This includes physical, personnel and information security.

Information governance policies and standards are in place which, if complied with by Officers and Councillors, provide the necessary assurance about the security of the Council's information assets and data handling procedures. In line with the Local Public Services Data Handling Guidelines 2008 and the Local Public Services Data Handling Guidelines 2012:

- The Monitoring Officer is the Senior Information Risk Owner (responsible for taking ownership of the Council's information governance policy and strategy).
- Executive Heads running each directorate are Information Asset Owners (responsible for understanding and addressing risks to the information they

own and providing assurance to the Senior Information Risk Owner on the security and use of those assets.

The Council must comply with the General Data Protection Regulation 2016 and Data Protection Act 2018. The Information Commissioner's Office (ICO) has taken no enforcement action for non-compliance. No fines were imposed because of weak controls. We continue to improve and learn lessons from mistakes to protect the data that we use.

The Council ensures that Officers handling personal data are trained to an appropriate level in the use and control of personal data. All Officers must undertake e-learning on protecting information. While Covid has seen an increase in the support needed for support on Data Protection across the Council, it has not impacted on the numbers of data breaches/incidents that meet the criteria for reporting to the ICO.

These remain low and anything previously reported has been closed by the ICO without action or penalty as there have been appropriate mitigating controls in place such as encrypted devices as well as a full process to report and review incidents. Regular reporting to the Senior Information Risk Officer is in place and there are regular reports to the Information Governance Board. This Board meets quarterly, chaired by the Data Protection Officer, to oversee the Council's work in relation to Information Governance and GDPR/data protection.

The Council has recently appointed a new Data Protection Officer who will help to establish some improved practices to ensure focus is placed on continuing improvement and learning.

The Council has a statutory duty to respond to all Freedom of Information (FOI) requests within 20 days. During 2020-2021, 638 FOI requests were received, 81% of which were responded to within the deadline.

Cyber-attack is recognised as a key risk to the Council. Revised guidance from the UK government now states this is amongst the biggest emerging threats to the UK and alongside terrorism and the pandemic is among the key dangers to UK security. The volumes of cyber-attack keep increasing and the cyber-attack capabilities are continually evolving, so this is an area which needs constant vigilance and a continuous improvement approach. The Council has agreed to an online cyber security training course, that would be compulsory for all Officers.

8. Chief Financial Officer Assurance Statement

The post of Chief Financial Officer (CFO) and s151 is a statutory post, responsible for delivering and overseeing the financial management arrangements of the Council. The interim role has been held by Anna D'Alessandro since July 2020. The Council can confirm that it complies with the governance requirements of the CIPFA Statement on the role of the CFO in Local Government.

The CFO has been involved in reviewing the corporate governance arrangements of the Council and the preparation of this Statement. The CFO considers that the arrangements are working satisfactorily, subject to areas for improvement identified in the body of this report and in the action plan attached to this statement.

Over the last three financial years the Council has faced an increasingly challenging financial position with overspends and a constantly reducing level of General Fund Reserves. 2020-2021 is no exception. The Council has made a concerted effort to contain spend and considerable time and effort has been invested in gripping the Council's salary costs as they represent the largest component of the Council's budget. An HR and Finance Panel (the CFO and the Executive Head of Resources¹⁰) meets weekly to assess requests regarding additional or continuation of agency/temporary posts.

At Month 11 the Council posted a surplus position. However, while undertaking work on the Outturn Report, it became apparent there was a significant imbalance in the 2020-2021 budget of c£920k. After an internal investigation which did not provide the answers required, Grant Thornton LLP UK was engaged to undertake a forensic review.¹¹

The findings and the Council's response were reported to a Special Strategy & Resources Committee and a later meeting of the Audit & Scrutiny Committee in September.¹² As a result of this review the 2020-2021 Outturn has not yet been reported to Committee for approval. A surplus position is still anticipated for 2020-2021.

The budget for 2021-2022 was approved by Full Council in February 2021. The budget was balanced but was predicated on the delivery of a £2.7m savings programme. This, plus the delivery of base budgets across the Council, will be critical to ensuring the 2021-2022 budget is delivered as planned. This is even more critical given the potential budget gap discussed above.

As a result of the Customer First Programme the organisation, including the Finance team, has been working with considerably constrained capacity. The interim CFO/s151 is making improvements to the finance function and processes (largely through the TFT Programme, to take effect in 2021-2022) including financial reporting to senior management and Councillors.

During 2020-2021 the CFO put in place an ambitious Finance Improvement Plan to address in-year overspends and then set a balanced budget for 2021-2022 and into the medium-term. Delivery of these improvements have been

¹⁰ From August 2021 the CFO meets with the Chief Executive as the post of Executive Head of Corporate Resources was vacant from this date.

¹¹ For the report, see minutes of Strategy & Resources Committee - Tuesday, 14th September, 2021 7.00 pm. Online available: <https://tandridge.moderngov.co.uk/ieListDocuments.aspx?CIId=137&MIId=1065&Ver=4> [Last accessed 11/10/2021].

¹² See *Strategy & Resources Committee - Tuesday, 14th September, 2021 7.00 pm*. At the time of writing, agenda and reports available online: <https://tandridge.moderngov.co.uk/ieListDocuments.aspx?CIId=137&MIId=1065&Ver=4> [Last accessed 17/09/2021].

critical to ensure the Council is financially resilient over the short to medium-term, without having to rely on a dangerously low level of reserves to balance the budget next year.

Key elements of the Plan (including arrangements for increased accountability for expenditure, greater clarity of reporting and oversight of internal audit reports) are reflected in the action plan which appears at the end of this statement.

The Council has approved a four-year Capital and Investment Strategy which provides a framework of control within which capital investment plans are financed and delivered and supporting prioritised projects and programmes to enable delivery of the Council's strategic plan.

This overarching strategy is aligned with the Commercial Property Investment Strategy for the acquisition and disposal of commercial property assets with the aim of producing a positive return for the Council. This framework sets out the governance, risk assessment, investment evaluation criteria and acquisition and disposal procedures.

The Council has also approved an annual Treasury Management Strategy which ensures that the cashflow of the Council is planned, that cash is available when needed and where surplus funds are available they are invested with counterparties or within instruments commensurate with the Council's low risk appetite. The Strategy also sets out the Council's approach to planning its borrowing to meet longer term capital spending obligations.

Gryllus Holdings Ltd, with its subsidiary companies Gryllus Housing Ltd and Gryllus Property Ltd, is a Local Authority Trading Company, the Council being the only shareholder. Gryllus' purpose is to acquire property, investment and development stock covering land, residential, retail, industrial and office premises to generate income and capital to support Council services.

The Council's shareholder function is delegated to the Treasury and Investment Sub Committee, which reports to the Strategy and Resources Committee. All decisions to purchase properties and commit funds for development are made by the Sub-Committee. The day-to-day business and affairs of the property company and any sub companies, joint ventures and/or special purpose vehicles are managed by and under the direction of the Board of Gryllus Holdings Ltd (the Council's Executive Head of Communities, the Lead Finance Specialist and Finance Specialist).

9. Monitoring Officer Assurance Statement

The post of Monitoring Officer is a statutory post. The Monitoring Officer ensures that the Council acts within legal and statutory requirements. This is achieved through the provision of frontline legal advice to Council services on a daily basis, the active participation of the Monitoring Officer within the Executive Leadership Team (ELT) and the active participation of Legal Services in the preparation and consideration of legal implications arising from Committee reports for decision.

The Annual Governance Statement builds upon those of previous years. Although some progress has been made in dealing with some of the governance issues included in last year's statement, there are some actions that have not been implemented in accordance with the original timescales and this is an action that will continue to be monitored.

The Monitoring Officer is also responsible, among other things, for maintaining the register of Councillors' interests, dealing with complaints where Councillors have breached the Councillors' Code of Conduct and has a statutory duty to report findings of maladministration established by the Local Government and Social Care Ombudsman (LGSCO) to the Council. LGSCO closed their service to new complainants at the beginning of the initial Covid-19 lockdown, to enable councils the opportunity to deal with more urgent matters arising from the pandemic.

The LGSCO produces an Annual Review Letter in July each year for each council in which it publishes statistics relating to enquiries/complaints made about them to the ombudsman. This update will be reported to the Standards Committee annually. This data is uploaded to an interactive map, which gives people the chance to see how their local authority is performing at the click of a button. The map collates the annual letters the ombudsman sends to each local authority, how often they have complied with ombudsman recommendations, the improvements they have agreed to implement, and published decisions all in one place.¹³ In 2020-2021, 10 complaints were referred to the LGSCO, mainly in relation to housing and planning issues. Of these 1 was upheld, 1 was not upheld and 8 were closed after initial enquiries.¹⁴ All decisions made by the ombudsman are published on the website.¹⁵

The Local Government Association published a Model Councillor Code of Conduct (the Model Code) in December 2020. While much of the substance contained in the Model Code had been captured in the Code of Conduct adopted by the Council in 2012 and revised since, the Council believed that a strong message to the public that Councillors were aspiring to best practice were worthwhile benefits for adopting the new Model Code. The Council agreed to adopt the Model Code on 17 March 2021. It is contained in Part F of the Constitution.

The Standards Committee is responsible for assessing and determining complaints against alleged breaches of the Code of Conduct. The role and function of the Committee, is amongst, other things, to promote and maintain high standards of conduct by Councillors and co-opted Councillors. The Standards Committee operated as expected throughout 2020-2021.

¹³ See: LGSCO (2021) *Your council's performance*. Online available: <https://www.lgo.org.uk/your-councils-performance> [Last accessed 13/08/2021].

¹⁴ See: Tandridge District Council (2021) *Complaints update, S82*. Online available: <https://tandridge.moderngov.co.uk/ieListDocuments.aspx?CIId=147&MIId=1007&Ver=4> [Last accessed 13/08/2021].

¹⁵ LGSCO (2021) *Decisions*. Online available: <https://www.lgo.org.uk/decisions> [Last accessed 13/08/2021].

During 2021-2022 one investigation/ referral will be passed to Standards Committee in relation to the Code of Conduct for elected Councillors of the Council. From time to time the Monitoring Officer deals with other matters referred to her informally, following consultation with the Independent Person. The Monitoring Officer has continued to be available to give advice to individual Councillors regarding Councillor behaviour and conduct concerns and to provide Councillors with advice on possible conflicts of interest. Two deputy monitoring Officers have been recently appointed.

All Council business is conducted in public unless legislation deems it appropriate for it to be considered in private. All meetings of the Council (including the annual meeting) and its committees were postponed from 16 March 2020 until 7 May 2020.

From 7 May 2020 until 6 May 2021 meetings have been held virtually in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

Virtual meetings were instigated to ensure transparency and good governance while also facilitating extensive access to the public and press. Despite councils wishing to continue these in 2021-2022, emergency legislation was not extended beyond 7 May 2021. The Council held its first meeting in person on 27 May 2021.

One of the sources of assurance (Statement of Assurance) for the Annual Governance Statement should come from ELT/SLT responsible for the operation, management and monitoring of controls within their area of responsibility. The Statement of Assurance is intended to collect this assurance by covering operational, project and partnership responsibilities as well as the Bribery Act, Safeguarding, RIPA and frauds. The ELT/SLT Officer can highlight concerns and the necessary actions required to improve governance. Once completed their contents are used to inform the governance statement. The Statement of Assurance was circulated and shared with ELT/SLT.

10. Internal and External Audit

The Council's internal (Southern Internal Audit Partnership – SIAP) and external auditors (Deloitte LLP) are the main independent sources of assurance on the operation of our governance framework and the Statement of Accounts.

SIAP operates in accordance with best practice professional standards and guidelines. It independently and objectively reviews, on a continuous basis, the extent to which the internal control environment supports and promotes the achievement of the Council's objectives and contributes to the proper, economic, efficient and effective use of resources. All audit reports are discussed at Executive Team meetings and the Corporate Improvement Board, whereby recommendations are agreed, and outstanding actions are tracked. Councillors receive an annual report of internal audit activity and approve the annual audit plan for the forthcoming year.

The report of the Chief Internal auditor states that the Council's framework of governance, risk management and control for 2020-2021 is 'Limited'. The Council is disappointed with this result, as many improvements to internal controls have been implemented over the last year. However, the Council recognises that there is still some way to go to reach its aim of achieving an overall opinion of 'Reasonable' next year.

As other sections of this statement underline, the Council is prioritising improvements to internal controls and addressing observations noted by SIAP's auditors, despite the external challenges of the last year and managing with very limited resources (both in terms of finance and people) to deliver its services. While the annual opinion is below the standards the Council sets for itself, it does have a clear blueprint to drive improvements over the coming year. Further enhancements to the monitoring, delivery and communication of these actions within the ELT and Senior Leadership Team are also being implemented.

SIAP routinely present progress updates, on the management actions that follow from each audit to Audit & Scrutiny Committee. Each member of the Executive Leadership Team reviews audit reports that relate to their Directorate and since April 2021, they meet as a group to review the management actions at the newly instated Corporate Improvement Board (CIB).

The internal audit plan for 2021-2022 to 2023-2024 was agreed by Audit & Scrutiny Committee in March 2021. For the plan year 2020- 2021, the audits below have been completed and progress update will be provided as a separate item on the agenda for the Committee meeting:¹⁶

- Human Resources & Organisational Development - April 2021 [Reasonable]
- Procurement 2020-2021 – Follow Up - May 2021 [Reasonable]
- Financial Resilience (paused due to Grant Thornton review)
- IT Asset Management - June 2021 [Limited]
- Follow Up of Disaster Recovery & IT Business Continuity Audit - June 2021 [N/A]
- Distribution of Business Grants 2020-2021 - June 2021 [Reasonable]
- Cyber Security - July 2021 [Limited]
- Housing Benefit - July 2021 [Reasonable]
- Treasury Management - July 2021 [Limited]
- Building Control - July 2021 [Limited]
- Information Governance - August 2021 [Limited]
- Health & Safety – August 2021 [No]
- Grants Register 2020-2021 – August 2021 [No]

During 2020-2021, the Acting Chief Executive and other members of the Executive Leadership Team met with the Chief Internal Auditor and Assistant Head of Partnership monthly to review and action recommendations arising from internal audit reports. ELT is very cognisant of the number of limited

¹⁶ Audit opinions are listed in the brackets next to the dates.

assurance audits in 2020-2021 and is working to address these issues through prioritisation and realigning roles and responsibilities. Further discussions are being had as part of the budget setting process to address significant capacity issues in the Council

Internal Audit has also led on a review of the Annual Governance Statement which will enable Councillors of the Audit & Scrutiny Committee to review any next steps that will be needed to enhance the effectiveness of the Annual Governance Statement. Any recommendations will be taken further forward in 2021-2022.

Following a case of Officer fraud, SIAP carried out an audit of Council Tax during 2019-2020 and one of the observations raised within the report related to the processing of refunds and the risk exposure to the Council. Two management actions were put in place to help mitigate that risk in the future.

Our external auditors (Deloitte LLP) will issue their *External Audit Report ISA260 report* for 2020-2021 in September 2021 which will be considered by the Audit and Scrutiny Committee. The document will summarise their key findings in relation to their external audit of the Council for 2020-2021 and will contain an opinion on the Council's financial statements, the control environment in place to support the production of timely and accurate financial statements and the Council's significant risk areas

11. Corporate improvement programme

Several corporate improvement initiatives have subsequently taken place, including those from a specific audit on the Customer First change programme. The actions that were completed in 2019-2020 and those listed in the "Annual Governance Statement action plan 2020-2021" can be viewed in the previous Annual Governance Statement.¹⁷ In addition, SIAP provides quarterly progress updates on outstanding audit management actions to the Audit & Scrutiny Committee.

In March 2021 the additional capacity commissioned from the Local Government Association came to an end, and a new permanent role of Programme Management Officer (PMO) instated. The scope of the new PMO's role includes rationalising and embedding the various corporate improvement work at the Council, such as the actions resulting from the previous Annual Governance Statement and Corporate Improvement Plan and those arising from the Centre for Governance and Scrutiny report and internal audit reports. The PMO also oversees corporate performance and risk and programme and project management.

Many actions from the corporate improvement work from 2019-2021 to March 2021 have been completed, and some of the action plans have now been

¹⁷ Tandridge District Council (2020) *Annual Governance Statement - Year ending 31 March 2020*. Online available: <https://tandridge.moderngov.co.uk/documents/s1945/Appendix%20A%20-%20Annual%20Governance%20Statement.pdf> [Last accessed 13/08/2021].

consolidated. Resultantly, the Council now has two key action plans that specifically relate to corporate improvement - the Corporate Improvement Plan and the Internal Audit Action Plan. The former will be reported to Strategy & Resources Committee and the latter is reported to Audit & Scrutiny Committee. Both are overseen by the internal Corporate Improvement Board (CIB), which meets monthly.

The outstanding actions from the previous Annual Governance Statement and its attached action plan, have been provided below.

A peer challenge is a supportive but challenging critical friend approach to assist councils and their partners to identify what is going well and where improvements can be made. The Council's Development Management service (Planning) has been peer reviewed by the Planning Advisory Service (PAS). The PAS report has been reviewed by senior Officers and Councillors and the Council has now appointed an Officer to lead on formulating improvement plans for the service.

12. The Strategic Plan

During 2019-2020, each committee oversaw delivery of several projects and programmes, which had previously been considered and endorsed by Strategy and Resources Committee and agreed by Full Council.

The development of a Strategic Plan for the Council, setting out priority objectives for delivery which have been agreed by Councillors, was identified as a key action in the corporate improvement plan. The Strategic Plan was agreed by Strategy and Resources Committee in July 2020. As the Council's financial recovery plan is implemented, and the Medium-Term Finance Strategy developed, the Strategic Plan will be reviewed on an ongoing basis and further actions identified where possible to achieve priority outcomes. Work is underway to complete a People Plan which will support delivery of the Strategic Plan.

Strategy and Resources Committee oversees the delivery of the Strategic Plan, and it is now monitored by the new Programme Management Officer. Each policy committee received updates relevant to the actions within their remit as part of their quarterly performance and risk reports. An update report will be prepared for Strategy & Resources in 2021-2022.

13. The Council's response to Covid

Specifically highlighted in the 2019-2020 Annual Governance Statement was the impact on Council services of the Covid-19 pandemic. This continued to be a significant risk throughout 2020-2021. Although business as usual had to change, core governance processes and functions have been maintained during the unprecedented shock of the Covid-19 pandemic.

The Covid-19 pandemic exacerbated the financial challenges of declining central government resources coupled with significant extra demand for

services. In the financial year 2020-2021 the government provided additional support for the additional costs and income losses resulting from the impact of the pandemic. The Council maintained a log of all spending commitments and income losses to enable full accountability and reported this financial impact monthly to the Ministry of Housing, Communities and Local Government (MHCLG). The various committees received reports at all meetings in 2020-2021, monitoring the impact on Council finances against central government grants.

The pandemic and the resultant imposition of lockdowns have had a fundamental impact on the operation and financial performance of the Council's leisure facilities. Income has reduced, and financial support has been required to keep facilities open.

But despite all the challenges and adaptations in 2020-2021, the Council has maintained consistent essential services for residents, while adapting to provide alternative virtual services wherever possible. The Council's strong collaborative approach has continued to be effective at achieving a unified response, working with key partners in the NHS, police and voluntary and community sectors. In fact, the response to the crisis enabled the Council to test the effectiveness of its business continuity plans, communications strategy and governance arrangements.

Additional demands were made on IT systems with most office-based Officers continuing to work remotely throughout 2020-2021. Changes to ways of working will need careful management as lockdown continues to ease in 2021-2022.

During the pandemic, some urgent decisions were taken by the Acting Chief Executive in consultation with Group Leaders. Each of these decisions was accompanied by both a report and a decision notice which was reported back to the relevant committee.

From May 2020 to October 2020 the Acting Chief Executive met with all the Group Leaders on a regular basis, to discuss key issues. Agendas and notes for these meetings were prepared.

In addition, weekly Covid-19 statistics demonstrating activity and progress were shared with all Councillors and Officers by the Communications and Customer Experience team. The Council produces a magazine twice a year which is delivered to all residents and businesses. During the pandemic the Council increased its online communication, providing more regular updates to residents and businesses.

The intensity of the Covid response did lessen towards the end of 2020-2021, but the Council's Covid-19 project team remains in place and added resilience to this team has been implemented via a change to relevant Officer reporting lines.

Internal Audit has also reported on the Council's response to the Covid pandemic from a human resources perspective. The assurance opinion was Reasonable, stating that "there is generally a sound system of governance,

risk management and control in place". The actions from two observations made by the auditors have been input into the Council's Internal Audit Action Plan for progress monitoring.

14. Regulation of Investigatory Powers Act (RIPA)

The Council has a RIPA Policy which outlines the arrangements for undertaking covert surveillance to gather evidence of illegal activity and to ensure that it is only undertaken where it complies fully with all applicable laws. Roles and responsibilities are clearly defined and there is a nominated Lead Officer (a Solicitor in Legal Services), Senior Responsible Officer (Head of Legal) and Authorising Officer (ELT members) as stated within the Regulation of Investigatory Powers Act 2000. RIPA activity will be reported to Strategy and Resources on an annual basis and a revised Policy was approved by the Committee in September 2020. No RIPA authorisations were requested in this financial year.

15. Conclusion

2020-2021 has been another turbulent period for the Council. During that period the Council progressed and completed many corporate improvements. However, several new improvement actions have been identified and some are yet to be completed from the last statement. Covid-19 did slow progress and has caused delays, as the already limited organisational capacity focused on this area of work. There will be an ongoing review of the financial impact, as well as the impact on procedures and processes relating to the emergency.

The sections above highlight how monitoring of governance actions is being enhanced over the next statement period and reporting will continue to be brought to Audit & Scrutiny Committee. On a day-to-day basis, improvement actions will continue to be monitored by the PMO and the Monitoring Officer.

The annual audit opinion for this year (Section 10) indicates that there are key areas of improvement within the council's systems of internal control and governance. As the demands of Covid lessen, new governance arrangements progress and become more embedded, and the Council pro-actively adapts to its limited resourcing and capacity, greater levels of corporate improvement are expected over 2021-2022.

The Council's 2021-2022 action plan (below) reflects both actions already completed in the previous Statement period, and those which will be progressed over the next year.

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Certification

As Leader and Chief Executive, we have been advised on the results of the review of the effectiveness of the Council's governance framework. Our overall assessment is that this Annual Governance Statement is a balanced reflection

of the governance environment and the arrangements as defined in this statement have been effectively operating during the year with the exception of those areas identified within the action plan.

We are also satisfied that over the coming year, the Council will take appropriate steps to address any significant governance issues and we will monitor their implementation and operation as part of our next annual review

****SIGNATURE****

Councillor Catherine Sayer

Leader of the Council

****SIGNATURE****

David Ford

Chief Executive

16. Action Plan Update

The first table in this section documents the actions completed against the 2020-2021 Plan set out in last year's AGS and the second table contains an Action Plan for 2021-2022 for those actions not completed in 2020-2021 and any new actions deemed necessary.

Actions completed against the 2020-2021 Action Plan

Issue identified	Completed in 2020-2021
<p>Audit Increased Member oversight and management control of audit recommendations</p>	<ul style="list-style-type: none"> • A renewed focus on Internal Audit reporting into the newly constituted Audit and Scrutiny Committee and day-to-day reporting into the Chief Financial Officer. • Adopt an internal audit plan, with each item owned by the relevant ELT member and approved by Audit and Scrutiny Committee. Each meeting of ELT and Audit and Scrutiny Committee to receive a report on any audit reports giving no or limited assurance, with the relevant Officer reporting on management actions.
<p>Complaints Continuous improvement through learning from complaints</p>	<ul style="list-style-type: none"> • Establish a process to prevent reoccurrence by recording root cause and actions taken.
<p>Decision making Appropriate information and engagement to inform decision-making</p>	<ul style="list-style-type: none"> • Update processes for instructions to legal services to ensure all relevant information included. • Change processes for and publish Forward Plan to enable greater and earlier Councillor and public engagement in policy development. • Develop guidance and deliver Officer training to ensure that reports for Councillor decision meet their needs, including clearer information about implications and risks within financial monitoring reports. • Ensure all current committee decisions delegated to directors have appropriate authorisations in place to reflect new service structures.

Issue identified	Completed in 2020-2021
<p>Financial control</p>	<ul style="list-style-type: none"> • Ensure accountability and responsibility for spend sits with relevant budget managers through monthly Departmental Leadership Team DLT meetings and Budget Accountability Statements. • Establish a Business Partnering model to deliver a more strategic and value added service to the business and support managers to control their budgets. • Focus on getting the basics right, eg introduction of trackers (such as organisation- wide Savings), Risk and Opportunity Registers, timetables for monthly reporting and budgeting, baselining of 2020-2021 revenue and capital information. • Integrated process for setting 2021-2022 revenue and capital budget and Medium Term Financial Strategy. • Re-design financial reports to the Executive Leadership Team and Councillors including the frequency of reporting to ensure reports are transparent, easily understood and have had appropriate sign-off. • Create a register of all approved recruitments to enable detailed budget monitoring. • Note: any outstanding elements around financial control will be picked up as part of the Review by Grant Thornton and will be added to the TFT in 2021-2022.
<p>Governance framework Clarification and regular review of governance arrangements, appropriate oversight and controls of management activity</p>	<ul style="list-style-type: none"> • Establish Corporate Improvement Board. • Implement appropriate Officer governance structures to ensure agreed benefits are delivered from projects and programmes.
<p>HR and data protection policies and procedures Regular review and updating of protocols and</p>	<ul style="list-style-type: none"> • Complete reviews of: <ul style="list-style-type: none"> ○ Whistleblowing policy ○ Contract standing orders

Issue identified	Completed in 2020-2021
codes with associated training to ensure their effective operation	<ul style="list-style-type: none"> • Undertake Data Protection Impact Assessments for each directorate. • Review and revise terms of reference for Information Governance Board. • Identify a designated Officer as IT Security Officer.
<p>Member and Officer conduct Regular review and updating of protocols and codes supported by appropriate training</p>	<ul style="list-style-type: none"> • Standards Committee to take a proactive approach to the promotion and maintenance of high standards of conduct by Councillors. • Complete new set of protocols to ensure that roles and responsibilities are clear and information is shared appropriately. • Adopt Values and Behaviours for Councillors and Officers. • Produce guidance notes and training for Councillors on ethical standards. • Commence work to review Councillor Code of Conduct (in light of national Code, once published). • Commence work to implement response to Committee on Standards in Public Life recommendations. • Update procedure for investigation of complaints against Councillors. • Publish records of Councillor training on the website. • Consider proposals for Councillors to confirm annually their commitment to the Nolan principles.
<p>Partnerships Continue to explore opportunities to support efficiency and effectiveness</p>	<ul style="list-style-type: none"> • Explore the potential for a form of local partnership with health, social care, business, voluntary and community sector partners to deliver shared objectives.

Issue identified	Completed in 2020-2021
<p>Peer challenge Taking steps to consider the leadership's own effectiveness, open to constructive feedback from peer review</p>	<ul style="list-style-type: none"> • Schedule Development Management Peer Challenge.
<p>Performance and risk Systematic and regular management and control</p>	<ul style="list-style-type: none"> • Implement ongoing programme of review of performance and risk by executive and directorate management teams. • Each service committee to review key performance indicators and risk relevant to their terms of reference and respective strategic plan actions. • Draft and adopt a risk management strategy.
<p>Procurement Actions to address recommendations from the Internal Audit of procurement</p>	<ul style="list-style-type: none"> • Deliver training for procurement Officers. • Update procurement strategy. • Revise Contract Standing Orders to make explicit the Council's expectations relating to use of Most Economically Advantageous Tender.
<p>Transparency Ensuring compliance and increasing openness</p>	<ul style="list-style-type: none"> • Review and revise ownership of and processes for Freedom of Information requests to ensure the Council publishes information in the public interest. • Make the Council's key strategies and policies easily accessible on the website.

Action Plan for 2021-2022

Please note that the ongoing actions from the 2020 – 2021 action plan have been prioritised. In consultation with the chairs of Audit & Scrutiny committee, only the high priority actions have been included in this statement's action plan for 2021 – 2022. However, the ongoing low and medium actions from last year's statement have been captured, and will be tracked alongside the high priority actions, via the Corporate Improvement Plan.

Furthermore, the high priority actions to be taken in 2021 – 2022 have been reformatted to include owners and completion dates as follows.

Key:

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

CIP Reference	Action Description	ELT Lead	Due Date
3	Explore use of 360 degree staff appraisal tools / Review staff 'check-in' process.	HofL	31/01/2022
4	Consider best approach to replacing the Executive Head of Corporate Resources who left the Council in August 2021. <i>Dependent on Strategy & Resources Committee and CE reviewing Impower's report.</i>	CE	28/02/2022
5	Recruit interim Head of Human Resources.	HofL	COMPLETED
6	Produce business case to ensure there is sufficient capacity in Planning following the release of the PAS report.	CPO	25/11/2021
7	Deliver Tandridge Financial Transformation (TFT).	CFO	Ongoing

	<i>Since the presentation of the GT report and its associated recommendations the Finance team are working to pull together a comprehensive plan of action to address all the underlying issues in Finance to allow the TFT to be built on a stable footing. That plan is currently being pulled together from a number of sources which will prioritise those that are urgent which will enable us to publish the 20/21 Outturn Report, have the 20/21 Accounts signed and provide Members with confidence they need to approve the 22/23 Budget. Those urgent actions associated with the GT recommendations will be discussed at the next A&S meeting on 2nd November.</i>		
9	Ensure compliance with mandatory fraud awareness training	EHofC, HofL	31/03/2022
10	Adopt a Code of Governance, bringing together in one place all elements of the Council's governance system.	HofL	30/03/2022
12	Keep under review the governance arrangements of the Gryllus Holdings Ltd Board to ensure that it is proportionate and reflects best practice for local authority property companies.	EHofC, CFO	28/02/2022
13	Deliver all Health & Safety improvement actions due in 2021/22, as per the recent internal audit, and include a summary of Health & Safety governance in the next edition of the annual governance statement.	EHofC	30/03/2022
30	Chief Executive and Executive Team to review the Strategic Plan with Councillors to ensure it reflects the Council's priorities with respect to its resources and capacity.	CE	30/06/2022
32	Implement Customer First Audit Management Actions.	CE, HofL	30/04/2022